



## **AGENDA OF THE CITY COUNCIL AND THE COUNCIL SITTING AS THE REDEVELOPMENT AGENCY**

**REGULAR CC/RDA MEETING  
Council Chamber in City Hall  
68-700 Avenida Lalo Guerrero  
Cathedral City, CA 92234**

**WEDNESDAY, OCTOBER 10, 2001**

**Study Session - 3:00 p.m.  
Regular Meeting - 7:30 p.m.**

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PLEASE NOTE: THE CITY HAS IN EFFECT AN ORDINANCE REGARDING LOBBYING THAT REQUIRES PERSONS BEING PAID TO MAKE A PRESENTATION ON BEHALF OF SOMEONE OTHER THAN THEMSELVES TO DISCLOSE THAT FACT AT THE TIME OF THEIR PRESENTATION, AND, IN SOME INSTANCES, TO REGISTER WITH THE CITY CLERK PRIOR TO APPEARING BEFORE THE CITY COUNCIL, PLANNING COMMISSION OR CITY STAFF.

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**3:00 P.M.**

### **CALL TO ORDER**

- a) Roll Call of City Council/RDA Member(s)
- b) Action to Excuse Absent City Council/RDA Member(s)

### **PUBLIC COMMENTS**

If any person desires to address members of the City Council and/or the Redevelopment Agency Board, this will be the **only opportunity to do so during this Study Session**. Please limit your remarks to 3 minutes. In response to any public comment on an item or matter which **has not been placed on this Agenda** pursuant to Government Code Section 54954.2, members of the City Council/Redevelopment Agency Board may only: **1)** briefly respond to statements made or questions posed by the public; **2)** ask a question for clarification; **3)** make a brief report on his or her own activities; **4)** provide a reference to staff or other resources for factual information; **5)** request staff to report back to the City Council at a subsequent meeting concerning any matter raised by the public; or, **6)** take action to direct staff to place a matter of business on a future Agenda. (California Government Code Section 54954)

**STUDY SESSION (Normally, No Action Is Taken On Study Session Items; However, The City Council Does Reserve The Right To Give Specific Policy Direction And To Take Specific Action As Necessary.)**

**Presentations will be limited to 10 minutes unless other provisions are made in advance.**

1. Presentation by Michael Fife, President of Palm Springs Desert Resorts Convention and Visitors Authority Examining the Impact of Recent Terrorism Activity on Our Region's Tourism Industry. **(Pg.1)**
2. Discussion of Edom Hill Landfill Replacement Facility. (Deanna Pressgrove) **(Pg. 5)**
3. Update of the Mosquito and Vector Control Board by Paul Marchand, Cathedral City's Representative to the Board.
4. Update of the Public Arts Commission's Fund Raiser for the Vietnam Veteran's Memorial Wall. (Tony Barton)
5. Discussion Exploring the Purchase of Translation Equipment for Use at Various Community Meetings. (Susan Moeller)
6. Status Report Regarding a Proposal to Form a Regional Municipal Electric Utility. (Donald Bradley) **(Pg. 42)**
7. Discussion of Potential Schedule Conflicts with Upcoming Council Meetings. (Donald Bradley)
8. Councilmember Reports of Committee Meetings.
9. Review of October 10, 2001, City Council/redevelopment Agency Board Agendas.
10. City Council/staff Reports and Inquiries Regarding Status of New or Ongoing Projects.
11. Closed Session Urgency Items.

**CC/RDA WILL ADJOURN TO CLOSED SESSION**



**CLOSED SESSION**

**AGENDA OF THE CITY COUNCIL AND THE COUNCIL  
SITTING AS THE REDEVELOPMENT AGENCY**

**REGULAR CC/RDA MEETING  
WEDNESDAY, OCTOBER 10, 2001**

1. CONFERENCE WITH LEGAL COUNSEL REGARDING POTENTIAL LITIGATION pursuant to government Code Section 54956.9 subd. (c).  
**Number of Potential Cases: Three**
2. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8. (Susan Moeller)  
**Properties:**  
Location: Southwest and Southeast Corners of West Buddy Rogers Avenue at East Palm Canyon.  
**Negotiating Parties:**  
Agencies: Redevelopment Agency & Arbours Development  
Property Owner: Redevelopment Agency  
**Under Negotiation:** Memorandum of Understanding
3. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8. (Paul Shillcock)  
**Properties:**  
Location: Various Parcels South of East Palm Canyon Drive Between Date Palm and Van Fleet APN Nos.: 687-222-004; 687-224-007; 687-225-011; 687-225-017; and 687-221-001  
**Negotiating Parties:**  
Agencies: Redevelopment Agency and BCN Development  
Property Owner: Redevelopment Agency  
**Under Negotiation:** Disposition of Property

**CC/RDA MEETING  
OCTOBER 10, 2001  
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4. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code section 54956.8 (Paul Shillcock/Tony Barton)  
**Property:**  
Location: Northeast Corner of 30<sup>th</sup> Avenue and DaVall Drive  
**Negotiating Parties:**  
Agencies: City of Cathedral City & Palm Springs Cemetery District  
Property Owner: Palm Springs Cemetery District  
**Under Negotiation:** Acquisition of Property
5. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8. (Susan Moeller)  
**Property:**  
Location: North Side of E. Palm Canyon Drive West of Monty Hall  
**Negotiating Parties:**  
Agencies: Redevelopment Agency & Palm Canyon Partners  
Property Owner: Redevelopment Agency  
**Under Negotiation:** Real Property Negotiations
6. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code section 54956.8 (Warren Bradshaw)  
**Property:**  
Location: 68790 D Street (APN 687-225-010)  
**Negotiating Parties:**  
Agencies: Cathedral City Redevelopment Agency & Jose and Cheryl Lopez  
Property Owner: Jose and Cheryl Lopez  
**Under Negotiation:** Acquisition of Property
7. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code section 54956.8 (Warren Bradshaw)  
**Property:**  
Location: 31575 Neuma Drive  
**Negotiating Parties:**  
Agencies: Cathedral City Redevelopment Agency & Esteban Perezchica  
Property Owner: Cathedral City Redevelopment Agency  
**Under Negotiation:** Disposition of Property

RECOMMENDATION: Adopt motion to recess to closed session pursuant to the above noted statutes.

REPORT OF ACTION(S), IF ANY

**CC/RDA WILL ADJOURN TO**



**CC/RDA MEETING  
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**REGULAR MEETING AT 7:30 P.M.**



## **SUPPLEMENTAL AGENDA**

### **AGENDA OF THE CITY COUNCIL AND THE CITY COUNCIL SITTING AS THE REDEVELOPMENT AGENCY**

Regular Meeting

Wednesday, October 10, 2001

3:00 P.M.

(OR AS SOON THEREAFTER AS THE MEETING MAY BE COMMENCED)

Council Chambers of the City Hall  
68-700 Avenida Lalo Guerrero  
Cathedral City, CA 92234

### **ADDED STARTERS:**

The following matters are not described on the duly noted agenda for this meeting, but require immediate action which cannot reasonably wait for the next regular meeting. **This document has been posted prior to the 72-hour posting requirement for this meeting and therefore does not require a vote of the City Council for the items to be heard.**

### **CLOSED SESSION:**

8. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8. (Warren Bradshaw)

**Property:**

Location: 68-805 E Street

**Negotiating Parties:**

Agencies: Redevelopment Agency and  
Preston & Wanda Sue Jines  
Property Owner: Preston & Wanda Sue Jines

**Under Negotiation:** Acquisition of Property



## **AGENDA OF THE CITY COUNCIL AND THE COUNCIL SITTING AS THE REDEVELOPMENT AGENCY**

**REGULAR CC/RDA MEETING  
7:30 P.M.  
WEDNESDAY, OCTOBER 10, 2001**

- a) Invocation
- b) Flag Salute

### **CLOSED SESSION ANNOUNCEMENTS**

#### **PUBLIC COMMENTS**

During this part of the meeting, the public is invited to address the City Council, and/or the Redevelopment Agency Board on any matter **not on the Agenda** or any item on the **Consent Agenda** by stepping to the lectern and giving his/her name and City of residence for the record. Unless additional time is authorized by the City Council, remarks on agenda items shall be limited to three minutes. **If you wish to speak on an agenda item, please wait to be recognized under that item.**

In response to any public comment on an item or matter which **has not been placed on this Agenda** pursuant to Government Code Section 54954.2, members of the City Council and/or the Redevelopment Agency Board may only: **1)** briefly respond to statements made or questions posed by the public; **2)** ask a question for clarification; **3)** make a brief report on his or her own activities; **4)** provide a reference to staff or other resources for factual information; **5)** request staff to report back to the City Council at a subsequent meeting concerning any matter raised by the public; or, **6)** take action to direct staff to place a matter of business on a future Agenda. (California Government Code Section 54954)

#### **AGENDA FINALIZATION**

At this time, the City Council and/or the Redevelopment Agency Board may announce any items being pulled from the Agenda or continued to another date.

**Urgency Items ("Added Starters"):** The Brown Act permits the City Council to take action on any item that does not appear on the Agenda only if 2/3 of the City Council (if all are present) or all members of the Council (if less than all are present) determine there is a need to take immediate action on the item and that the need to take immediate action came to the City Council's attention after

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the posting of the Agenda.

**COUNCIL COMMENTS**

Councilmembers' Comments on Items not on the Agenda.

**PRESENTATIONS AND PROCLAMATIONS**

- ? Proclamation designating October 8-13, 2001 as Fire Prevention Week. (Fire Chief Steve Sowles)

**CALL FOR CORRECTIONS/APPROVAL OF MINUTES**

Corrections/Approval of Minutes of the Regular City Council/Redevelopment Agency Board Meeting Held on September 26, 2001.

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PLEASE NOTE: THE CITY HAS IN EFFECT AN ORDINANCE REGARDING LOBBYING THAT REQUIRES PERSONS BEING PAID TO MAKE A PRESENTATION ON BEHALF OF SOMEONE OTHER THAN THEMSELVES TO DISCLOSE THAT FACT AT THE TIME OF THEIR PRESENTATION, AND, IN SOME INSTANCES, TO REGISTER WITH THE CITY CLERK PRIOR TO APPEARING BEFORE THE CITY COUNCIL, PLANNING COMMISSION OR CITY STAFF.

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**CONSENT AGENDA**

**ALL MATTERS LISTED ON THE CONSENT AGENDA ARE CONSIDERED TO BE ROUTINE IN NATURE AND WILL BE ENACTED BY ONE ROLL CALL VOTE. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS MEMBERS OF THE CITY COUNCIL, THE REDEVELOPMENT AGENCY BOARD, AND/OR THE AUDIENCE REQUEST SPECIFIC ITEMS BE REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION AND/OR ACTION.**

- COUNCIL** 1. Receive and File Claims and Demands incurred by the City Council and the Redevelopment Agency Board in the total aggregate sum of \$ 3,093,736.57 for the month of August, 2001. **(Pg. 1)**

- a. Recommendation: Receive and File

**PUBLIC HEARINGS:**

- CC/RDA** 2. Proposed Resolution consenting to the disposition of one vacant lot at 31575 Neuma Drive to Esteban and Maria Perezchica and their son, Juan for construction of an affordable house. (Warren Bradshaw) **(Pg. 2)**

- a. Report by Housing Manager

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- COUNCIL** 3. Proposed Resolutions approving General Plan Amendment 01-75, Change of Zone 01-101 and Zoning Ordinance Amendment 01-209, amending the City's General Plan Land Use Map and Zoning Map to change properties generally bounded by Ramon Road and Dinah Shore and between Date Palm and the Whitewater River from M/B (Medium Density Residential with Bonus Density Program, 4.5 to 10 dus/acre) to L (Low Density Residential 2 to 4.5 dus/acre), and from R2-B (Multifamily Residential - Density Bonus) to R1 (Single-family Residential), respectively; and a Zoning Ordinance text amendment regarding multi-family legal non-conforming uses. (Cynthia Kinser) (**Pg. 67**) 66
- a. Report by City Planner
  - b. Public Hearing
  - c. Recommendation: 1) Adopt Resolution No. 2001- \_\_\_\_\_  
2) Waive Further Reading and Introduce the Ordinances.

**LEGISLATIVE ACTION:**

- COUNCIL** 4. Approval of Final Parcel Map No. 29719 (Ritz Carlton Golf Course), accept the dedications made to the City on the final map, and authorize the execution of the performance agreement. (Dave Faessel) (**Pg. 83**) 81
- a. Report by City Engineer Dave Faessel
  - b. Public Input
  - c. Recommendation: Approval
- RDA** 5. Authorize the Executive Director to contract for appraisal and land acquisition services for the BCN Conference Hotel Project in an amount not to exceed \$122,000.00. (Susan Moeller) (**Pg. 85**) 83
- a. Report by Redevelopment Director
  - b. Public Input
  - c. Recommendation: Approval
- RDA** 6. Authorization of the purchase of sound and lighting equipment for Auditorium 10 of the Mary Pickford Theatre for an amount not to exceed \$44,500, which will provide the ability to have live performances. (Susan Moeller) (**Pg. 94**) 92
- a. Report by Redevelopment Director
  - b. Public Input
  - c. Recommendation: Approval

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- COUNCIL** 7. Authorization to execute a Service Provider Agreement between the City of Cathedral City and the Cathedral City Senior Center. (Tony Barton) (~~Pg. 102~~) 100
- a. Report by Parks and Recreation Manager
  - b. Public Input
  - c. Recommendation: Approval
- COUNCIL** 8. Authorization to execute a Service Provider Agreement between the City of Cathedral City and the Cathedral City Boys and Girls Club. (Tony Barton) (~~Pg. 132~~) 130
- a. Report by Parks and Recreation Manager
  - b. Public Input
  - c. Recommendation: Approval
- COUNCIL** 9. Authorization to execute a Service Provider Agreement between the City of Cathedral City and the Cathedral City Chamber of Commerce. (Tony Barton) (~~Pg. 155~~) 153
- a. Report by Parks and Recreation Manager
  - b. Public Input
  - c. Recommendation: Approval
- COUNCIL** 10. Approval of a Service Provider Agreement with the Cathedral City Chamber of Commerce related to the proposed Business Resource Program aspect of the Chamber's Economic Development Partnership effort, and authorize payment for services from funds included in the Fiscal Year 2001-2002 budget. (Paul Shillcock) (~~Pg. 180~~) 178
- a. Report by Economic Development Manager
  - b. Public Input
  - c. Recommendation: Approval
- RDA** 11. Authorization for **1)** a 211-day extension of the Memorandum of Understanding with LINC Housing Corporation for the development of Desert Cloisters, a mixed-income housing project to be located on West Buddy Rogers Drive between Date Palm Drive and Van Fleet Avenue, to May 31, 2002; and **2)** a loan to LINC in an amount not to exceed \$300,000.00 for pre-development design services. (Susan Moeller) (~~Pg. 202~~) 200

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- a. Report by Redevelopment Director
  - b. Public Input
  - c. Recommendation: Approval
- RDA**      12. Proposed Resolution approving the Replacement Housing Plan as prepared by Pacific Relocation Consultants (PRC) for the BCN Conference Hotel Project. (Susan Moeller/Warren Bradshaw) **(Pg. 231)** 229
- a. Report by Redevelopment Director
  - b. Public Input
  - c. Recommendation: Adopt Resolution No. R-\_\_\_\_\_
- COUNCIL**    13. Approval of the Police Department's request for the purchase and training of a police K-9 and the training of a police K-9 Officer through Work Dog International, with funding not to exceed \$10,000.00. (Stan Henry) **(Pg. 248)** 246
- a. Report by Chief of Police
  - b. Public Input
  - c. Recommendation: Approval
- COUNCIL**    14. Proposed Ordinance amending the Municipal Code, including the Zoning Ordinance, to change all references to "Director", "Community Development Director" and/or "Director of Community Development" to "City Planner". (Steve Quintanilla) **(Pg. 250)** 248
- a. Report by City Attorney
  - b. Public Input
  - c. Recommendation: Waive Further Reading and Introduce the Ordinance.
- COUNCIL**    15. Proposed Resolution directing Staff to change all references to "Director", "Community Development Director" and/or "Director of Community Development" to "City Planner" on all relevant permit applications and other public information materials. (Steve Quintanilla) **(Pg. 254)** 252
- a. Report by City Attorney
  - b. Public Input
  - c. Recommendation: Adopt Resolution No. 2001-\_\_\_\_\_

**COUNCIL REPORTS ON CITIZEN INQUIRIES AND CONCERNS.**

**ADJOURNMENT**

To the next regularly scheduled meeting of the City Council/Redevelopment Agency Board  
**Wednesday, October 24, 2001.**

**NOTE TO THE PUBLIC**

Agendas and back-up material giving more information on each agenda item, with the staff's recommendations, have been provided to all Councilmembers. These same materials are on display in the main City Hall lobby, in the Police Department lobby, in the lobby outside the Council Chamber, and in the City Clerk's office from the Thursday preceding the regular Council meeting. Staff "recommendations" are only that; the City Council makes its own decisions based on all information provided to them. The Agenda, by itself, can also be reviewed on the City's Web Site at:

**[www.cathedralcity.gov](http://www.cathedralcity.gov)**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk by phone at (760) 770-0322. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.102-35.104 ADA Title II]

**PLEASE BE ADVISED THAT CITY HALL IS CLOSED EVERY FRIDAY**





September 21, 2001

Dear CVA Member:

The tragic events of several days ago have had a significant impact on all our lives and particularly those who are directly affected by this violent act of terrorism.

In addition to grappling with the human dimension of this crisis, the staff of the CVA has also been examining the impact of this crisis on the region's tourism industry and to mitigate what will surely be a serious decline in business during the coming months.

The purpose of this letter is to quickly brief you on a few of the immediate initiatives that the CVA will be undertaking to address this fallout of business:

- The CVA will direct an increased share of its tourism and convention marketing focus to the Southern California area and the West Coast. Given the large population base of visitors who can easily drive in to the Palm Springs Desert Resorts, it appears that this market holds the most potential for securing visitation.
- The CVA is currently in fast-track development of an online booking component to our PalmSpringsUSA.com website. This will allow hotels to offer direct online room reservations through our site and even to promote "distressed" inventory or last minute bookings. This program will be promoted primarily in the Southern California area through either newspapers or broadcast media. Attractions and restaurants are urged to partner with hotels in packaging their product with the room sale. We will be coming back to you shortly with more details as soon as this program is fully developed.
- The CVA's Holiday program with American Express will continue as planned. We are pleased to note that more than 70 members will be a part of this program. However, instead of targeting the San Francisco area as was originally planned, this program will be redirected to Southern California. If you are unaware of this program, please call Gary Sherwin, Vice President, Market Development at 770-9000 or Michele Boudreau at American Express at 800/706-9080 for more information.

- Our Convention Sales Division is immediately redeploying staff to better capitalize on West Coast and Southern California opportunities. While we will not be abandoning the Midwest and East Coast markets, an additional emphasis will be placed on securing business from these drive-in markets. Should you have any questions about how you can better address these markets through our sales missions or trade shows, please call Vice President Sales and Marketing Doug Small.

This horrific act has had a pronounced effect on all of us. Certainly the months ahead we will face new challenges personally and professionally. Please be assured that the CVA will do its part to limit the economic impact this tragedy will have in the valley during the days ahead.

As always, we are standing ready to assist you as your marketing partner.

Sincerely,

Michael E. Fife  
President  
Palm Springs Desert Resorts Convention & Visitors Authority



# TRAVEL ADVISORY

## PALM SPRINGS INTERNATIONAL AIRPORT

### AMERICA'S RESORTPORT

3400 E. Tahquitz Canyon Way, Palm Springs, CA 92262 760.318.3800

*In light of the recent terrorist attacks against the United States involving the commercial airline industry, the Federal Aviation Administration has instituted heightened security measures which are now in place at all commercial service airports including Palm Springs International Airport. These events have altered the way we fly both domestically and internationally.*

Below are some important changes which relate to what you can expect when visiting the Airport to pick-up or drop-off passengers as well as when you next travel by air:

- ▶ Domestic travelers are asked to check-in approximately two hours prior to scheduled departure time;
- ▶ International travelers are asked to check-in approximately three hours prior to scheduled departure time;
- ▶ Checking baggage at the terminal curbside has been suspended indefinitely;
- ▶ Travelers must check baggage at the airline ticket counter inside the terminal;
- ▶ Access beyond the security checkpoint to boarding areas will be limited to those passengers producing proof of travel (i.e. ticket, boarding pass, e-ticket confirmation);
- ▶ Customers must possess valid government-issued photo identification as it will be requested during the check-in, security checkpoint, and boarding process;
- ▶ No knives of any kind or sharp objects may be carried onboard aircraft;
- ▶ Passengers must closely control personal baggage and packages traveling with them to avoid the possibility of transporting items without their knowledge;
- ▶ Unattended bags are subject to inspection and confiscation;
- ▶ Private vehicles are allowed to pick-up and drop off passengers at the terminal curbside. However, private vehicles will not be allowed to sit at the curbside, even if the driver remains with the vehicle.

Please contact your airline prior to departing for the Airport to obtain the latest flight arrival and departure information. While the majority of scheduled local flights are operating, delays or cancellations are possible. It is also suggested that passengers reconfirm future reservations in the aftermath of recent schedule changes. Contact information for those carriers providing service at Palm Springs International Airport is provided below:

Airline	Toll-Free Reservations	Internet Website
Alaska Airlines	800.252.7522	<a href="http://www.alaskaair.com">www.alaskaair.com</a>
America West Express	800.235.9292	<a href="http://www.americawest.com">www.americawest.com</a>
American Airlines	800.433.7300	<a href="http://www.aa.com">www.aa.com</a>
American Eagle	800.433.7300	<a href="http://www.aa.com">www.aa.com</a>
Continental Airlines (eff. Dec.13)	800.525.0280	<a href="http://www.continental.com">www.continental.com</a>
Delta Connection/SkyWest (eff. Oct.1)	800.221.1212	<a href="http://www.delta.com">www.delta.com</a>
Northwest Airlines (eff. Nov.1)	800.225.2525	<a href="http://www.nwa.com">www.nwa.com</a>
United Express	800.241.6522	<a href="http://www.united.com">www.united.com</a>

**Palm Springs International Airport  
Forecast of Daily Flight Departures and Seat Availability  
October 2001**

<b>Airline</b>	<b>Destination</b>	<b>Planned Flights</b>	<b>Actual Flights</b>
Alaska	Seattle	2	2
Alaska	San Francisco	2	2
America West Express	Phoenix	7	6
American	Dallas/Ft. Worth	2	2
American	Chicago	1	1
American Eagle	Los Angeles	11	8
Delta Connection	Salt Lake City	1	1
United Express	Los Angeles	16	16
United Express	Las Vegas	1	1
United Express	San Francisco	1*	0*
<b>Total Flights</b>	<b>11.4% Reduction</b>	<b>44</b>	<b>39</b>

\*United Express San Francisco flight was previously scheduled to end on 10/31/01 but has been discontinued sooner than was originally expected.

<b>Airline</b>	<b>Destination</b>	<b>Planned Seats</b>	<b>Actual Seats</b>
Alaska	Seattle	260	260
Alaska	San Francisco	280	280
America West Express	Phoenix	285	248
American	Dallas/Ft. Worth	258	258
American	Chicago	129	129
American Eagle	Los Angeles	374	272
Delta Connection	Salt Lake City	50	50
United Express	Los Angeles	480	480
United Express	Las Vegas	30	30
United Express	San Francisco	30	0
<b>Total Seats</b>	<b>7.8% Reduction</b>	<b>2,176</b>	<b>2,007</b>

This forecast is based on the most current information available as of 9/24/01. It reflects information learned through recent airline conversations as well as flight schedules available on airline websites. All of the above information is subject to change and will be updated accordingly.

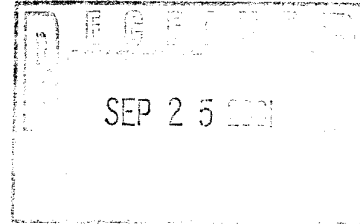


**Riverside County  
Management Department**

*Bert A. Nelson, General Manager-Chief Engineer*

September 21, 2001

Patricia "Corky" Larson  
Executive Director  
CVAG  
73-710 Fred Waring Drive, Suite 200  
Palm Desert, CA 92260



Dear Mrs. Larson:

The County Board of Supervisors authorized the release of an RFP on September 11, 2001 for a replacement facility for the Edom Hill Landfill.

The landfill, as you know, has a limited capacity and life span. This action is intended to provide a leadership role in seeking proposals, and with the help of affected communities, see if we can reach a consensus on an appropriate project. Time is quickly becoming critical for something to be ready by mid 2004.

The document was prepared with close consultation with Supervisor Wilson who has requested that the CVAG Energy and Environment Committee name some of its members (or their City representatives if they choose) to sit on a screening committee which we could work with to screen the proposals.

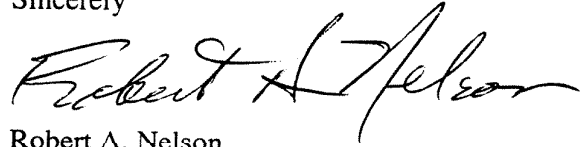
We want to make sure the City of Cathedral City is one of the members since they are directly impacted by the property locations offered by the County for consideration. Staff met with their City Manager and key staff members, and carefully went over the proposal before submitting it to the Board. We have assured them they would be part of the screening committee. Although I would prefer to have a small committee to work with so as to be able to more promptly set up review and evaluation meetings, we will be sensitive to the political judgement of your existing E&E committee. At a minimum, I would like to see the two large adjacent cities (Palm Springs and Palm Desert) participating in the screening.

Proposals are due on December 10, 2001. They would be distributed to the screening committee members shortly after that to start their review, with the first committee meeting probably scheduled the first week in January. A series of meetings would follow during the next several weeks, hopefully reaching a recommendation sometime in February 2002.

5

I am enclosing 20 copies of the RFP which is self-explanatory. We would respectfully request you provide a copy of this letter and the document to each of the E&E members, and place this request on their agenda for discussion. Extra copies are for your distribution as you see fit. I would be happy to attend and help explain if you desire. Thank you for your help.

Sincerely

A handwritten signature in black ink, appearing to read "Robert A. Nelson". The signature is fluid and cursive, with the first name "Robert" and last name "Nelson" clearly distinguishable.

Robert A. Nelson  
General Manager-Chief Engineer

RAN:mfa

Enclosure

cc: Supervisor Roy Wilson  
Don Bradley, City Manager, City of Cathedral City  
Larry Parrish



**Riverside County**  
**Waste Management Department**

*Robert A. Nelson, General Manager-Chief Engineer*

September 13, 2001

**TO: All Riverside County Permitted Waste Haulers   Vendors Who Have Expressed Interest**

Athens Services  
Burtec Waste Industries  
Cabazon Disposal/Cherry Valley Sanitation  
CR&R  
Desert Valley/Palm Springs Disposal  
Newco/IRS  
O.K. Associates  
Palo Verde Disposal  
Waste Management of the Desert  
Waste Management of the Inland Empire

BLT Enterprises  
Browning Ferris Industries of CA, Inc.  
CCI United States Corp.  
Environmental Engineering Corp.  
Fuel & Fiber Co.  
Masada Oxynol  
John F. Otto, Inc.  
Wheelabrator Technologies, Inc.

**FROM:** Robert A. Nelson  
General Manager-Chief Engineer

**RE:   Edom Hill Landfill Replacement Facility by 2004**

I am enclosing herewith, a copy of an RFP approved for release by the Riverside County Board of Supervisors on September 11, 2001 for an Edom Hill Landfill Replacement Facility. The Board report requesting the release of the document and the RFP are self-explanatory as to the County's intent with respect to this project.

Disposal capacity at this landfill is such that a project must soon be formulated and agreed upon by the using agencies. Your review and consideration of submitting a proposal would be appreciated.

RAN:mfa

Enclosure

7.

COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



**FROM:** Waste Management Department      **SUBMITTAL DATE:** September 11, 2001

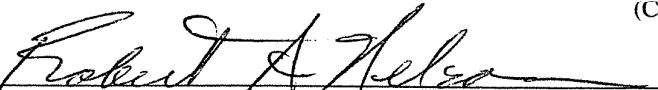
**SUBJECT:** Authorization to Release an RFP for a Waste Handling Facility to Replace Edom Hill Landfill

**RECOMMENDED MOTION:** The Board authorizes the General Manager-Chief Engineer to release the attached RFP for a waste handling facility to replace the Edom Hill Landfill by mid 2004.

**BACKGROUND:** The Edom Hill Landfill is expected to be full sometime during mid year 2004 and further expansion is not feasible. The attached RFP will start the process of seeking proposals to select a replacement project to be built on lands owned or leased by the County near the existing landfill, once this local capacity is exhausted.

The draft has been developed in discussions with Supervisor Wilson (whose District is primarily affected), defining a process that provides County leadership with appropriate input from local agencies that are also affected by this decision. Land the County leases from the BLM and land the County owns within the boundary of the Cathedral City, city limits west of the landfill, are both candidate sites that may be feasible. The RFP concepts proposed are broad enough to include possible waste to energy (WTE) options, as well as transfer options to facilities other than our existing disposal system. Projects using other proven technologies may also be submitted. The proposals would be due by December 10, 2001.

(Cont'd)

  
Robert A. Nelson, General Manager-Chief Engineer

**FINANCIAL DATA:**  
**CURRENT YEAR COST:** \$ 25,000      **ANNUAL COST:** \$ -0-  
**NET COUNTY COST:** \$ -0-      **IN CURRENT YEAR BUDGET:** YES X NO     
**SOURCE OF FUNDS:**      **BUDGET ADJUSTMENT:** YES    NO X FY:     
    Applicant Deposits

COUNTY C.E.O. RECOMMENDATION:

FORM APPROVED  
COUNTY COUNSEL

Executive Officer Signature

AUG 31 2001

BY 

☐ Policy  
☐ Policy

☐ Consent  
☐ Consent

Department Recommendation:  
Per Executive Office:

Prev. Agn. Ref.

Dist.

Agenda No.



The WTE option is being explored with this process for three reasons on this project: 1)The obvious energy shortage crises in the State, 2)the available fuel supply that the ongoing waste stream (and perhaps the existing waste cells) might provide, and 3)interest from at least two vendors. A field trip to visit a recent WTE project in Florida is planned in late September with the 4<sup>th</sup> District Supervisor, and the General Manager and Assistant General Manager of the Department to begin any consideration of this option. An addendum to the RFP may be provided to improve the December responses if indicated by factors discovered from this trip.

This proposal has been discussed with the City Manager and staff of the City of Cathedral City to make them aware of this concept and seek input in advance of the Board action.

Although we are aware that several informal concept proposals from various vendors have sought to be considered in the Valley by contacts made to individual cities (and to our staff), no coordinated effort is currently known to be underway that would assure success within the required time frame. A project with potentially complicated technical, legal, and environmental issues should not be delayed longer if it has any chance of coming online in the required time frame.

The unincorporated area in the Valley comprises less than 10% of the entire Valley waste stream; some of this could be handled by the existing Coachella Valley Transfer Station. Nonetheless, we believe it is not in the County's interest to stand by longer, awaiting what may clearly become a crisis unless some project is decided upon and allowed to move forward. The County has property on which a project could be considered, immediately adjacent to the current disposal point. Moving ahead as proposed is consistent with Board policy to use the Waste Management properties for waste projects, without committing significant County funds. For these reasons, staff is recommending the proposed action and would welcome any input to further define the process.

RAN:mfa

Attachments

# Request For Proposals

By

Riverside County Waste Management Department  
For

A Waste Management Facility

To Serve

The Northwestern Coachella Valley  
By mid 2004

**General:** The County of Riverside, in consultation with the City of Cathedral City is seeking proposals from qualified firms to submit a development, financing, operating, and maintenance plan to construct and operate a Waste Management Facility on property owned by the County of Riverside, near Edom Hill Landfill Road, in Cathedral City, California.

Edom Hill Landfill, operated by the County of Riverside, is currently used as the disposal point for some 95% of the waste generated in the valley with a current population of approximately 350,000 residents and their related business, commercial and industrial community. It is permitted to receive 4000 tpd, and receives an average of 1400 tpd (6 days per week), with a historically peak day of 1900 tons. The tonnage receipts by month, by city source, for FY 2000-01 is shown on Exhibit A.

Of this amount, between 200 and 300 tpd is delivered by transfer trucks coming from the Coachella Valley Transfer Station operated by Burrtec. That facility currently serves the waste stream from the cities of Coachella and Indio under the terms of a Joint Power Authority agreement between these two cities. Once the Edom Hill landfill is full, these transfer station loads and growth from its future customers, cannot be counted upon to use this new project. The Burrtec project has a 20 year contract to use the County disposal system and would not be a part of the waste stream for which this RFP is focusing, unless new arrangements are made with the Coachella/Indio JPA and the County.

The Edom Hill landfill is expected to be filled by mid 2004. At that point in time, a replacement waste handling system needs to be in place to serve (at a minimum) the western end of the Coachella Valley. The County is committed to close the landfill when it is full, and will not seek to extend its permitted capacity.

The County does not have flow control over any but a very small portion of this waste stream (the unincorporated area; i.e. less than 10% of the valley area), and it will be the responsibility of the successful project proponent (the Lessee) to obtain contracts if any are needed, with the cities or haulers in the area to define the size of their project.

A lease of 20 to 25 years for this project should be anticipated for the portion of land selected by the project sponsor, on property owned by the County (or subleased by the County on any of the land it leases from BLM), with ownership turned over to the County at the end of the term for a payment of \$1.00; see County ownership map attached as Exhibit B. Subleases of the BLM land would also be subject to their approval. A lease will not be granted on any portion of the Edom Hill Landfill footprint.

**Type of Project:** The County express no preference on the type of waste handling facility that a sponsor may elect to propose, except to say it must be able to handle and dispose a minimum of 50% and up to 100% of the current and projected waste stream of the Coachella Valley during the lease period, (with ease of expansion) if dictated by the size of the project and/or growth in the service area. The project must be environmentally friendly and economically feasible. The project proponent has the responsibility to design, construct, permit, market, operate and maintain the facility with no financial obligation of the County or cooperating agencies.

Project proponents are expected to understand California's waste diversion laws, and to the extent needed by prospective users, and to the extent feasible, add features which assist the using agencies meet these goals. All such costs should be separately identified in the proposal.

**Host Fees and Lease Fees:** Proponents and users should anticipate in their proposal, a \$1.00 per ton lease fee to the County Waste Management Department, and a \$1.00 per ton host fee to the City of Cathedral City on all waste received at the facility. It should be understood that these rates are listed for consistency in submittals only, and are subject to later negotiation; they have not been approved by either agency.

**Land Use Approval:** If the project is to be constructed in the County unincorporated area, on land the County leases from the BLM, County standards will be expected to be followed. Processing of the project would follow provisions of County land use Ordinance 348, Section 18.2.a.b(1) as a "Public Project".

If the project is to be constructed on land the County owns in the City of Cathedral City, the proponent will be expected to follow reasonable land use control standards of the City of Cathedral City and those of the County of Riverside. A land use agreement between the City and County executed in January 2001 is attached as Exhibit C for ease of reference to proponents.

**Lead Agency for Environmental Review:** The County will act as the Lead Agency for preparing the Environmental Assessment if it decides to move ahead with a project. Funding for environmental documentation, will be primarily provided by the competing final proponents as described later herein.

**Access Route:** The existing access routes will be used (I-10, Date Palm Drive, Varner Road, and Edom Hill Landfill Road). Improvements to these routes (if any) will be defined during the environmental review process.

For consistency in submittals, proponents should anticipate funding in their proposal to add a new climbing lane for traffic on Edom Hill Landfill Road and to repair and overlay the balance of the road from Varner Road up to the point of entry to the selected project. Likewise, since the waste project will be the dominant user of this road, each proposal should include an item in their budget committing to fund maintenance of the improved road.

**Water Supply:** The County owns a well and an 8-inch pipeline from its well to a point near a potential location of the project; see Exhibit A. The well currently produces about 200 gpm. After formal closure of the landfill is completed, some of the water from this well may be available for the project if negotiated into the lease terms. During landfill closure construction, (a period of 6 to 12 months) this entire supply will be needed for the landfill closure construction purposes, providing however, storage needs for emergency fire flow capacity may be negotiated into the lease terms.

**Equal Treatment of Customers:** The County will insist that the Lessee treat all cities and haulers within the County on an equal basis for rates, and any waste processing services irrespective of the Valley waste origin.

**Landfill Disposal Option:** If the project proposed includes a transfer to a landfill for disposal, the proponent should identify the landfill destination, the haul distance, and the disposal price and arrangements made with the landfill owner and operator. The County will make its standard 20 year disposal agreement available at its Lamb Canyon, Badlands and El Sobrante Landfill sites, but by indicating such, is not expressing this as a requirement or a preference. A copy of a similar agreement recently executed with the Coachella/Indio JPA is attached as Exhibit D for your reference.

If the proponent makes a proposal for disposal at one of the two Regional landfill sites under purchase negotiations by the LA County Sanitation District, the County reserves the right to develop agreement terms that would favor the Eagle Mountain Landfill project since this project provides other long term benefits to the County and Cities in the Coachella Valley.

If the proposed process requires a backup capacity, during down time or maintenance, the owner should define the scope of this need and how waste is to be handled during this period. The County would be willing to provide backup capacity during these short periods at its referenced landfill sites, at its normal, non-contract rates.

**Permitting:** The project sponsor will be responsible for obtaining and maintaining all necessary permits at its own expense.

**Seismic Considerations:** The San Andreas Fault passes through a portion of the County property as approximately shown on Exhibit A. Proponents should study the seismic conditions in the Coachella Valley and affirmatively state they have a thorough

understanding of the ground movement potential, and will assume all risk of damage associated with this potential while guaranteeing continuous waste handling services.

**Selection Process for the Right to Negotiate Lease:** Every project proponent is required to submit a cashiers check in the amount of \$5000 to be considered a serious proposal. The funds will be used by the County to evaluate the submittals and to initiate any preliminary environmental evaluations.

Upon receipt of proposals, the County will screen the submittals for responsiveness to the request. It plans to form a screening committee made up with members invited from the City of Cathedral City, and others requested to be appointed by the Coachella Valley Association of Governments (CVAG) Energy and Environment Committee, thus involving each of the major nearby critical users. The screening committee will recommend the top two projects to the County for consideration. The County will then negotiate a Draft Lease with each of the two successful proponents.

The terms of the Draft Lease will include the intended tipping fee schedule, performance timeline, and all other significant benefits, terms and considerations. The two successful proponents will each be required to make a minimum deposit of one-half the unfunded cost (estimated at \$35,000 each) for the County's use in beginning the Environmental Assessment (EA), covering alternative projects, before concurrence and confirmation by its Board of Supervisors.

Upon determination by the County that a preferred vendor has emerged, it will reimburse 50% of the EA deposit to the finalist not selected, and finalize negotiations for the lease with the successful proponent, requiring that vendor to fund completion of the environmental studies if additional costs are anticipated. The Lease will become effective upon presentation of City agreements from a minimum waste stream (amount to be recommended by the screening committee) from Coachella Valley Cities, committing to use the facility for a minimum of 15 years.

**Submittal Requirements:** The submittal Format and Requirements are shown in attached Exhibit E. Submittals are due by December 10, 2001.

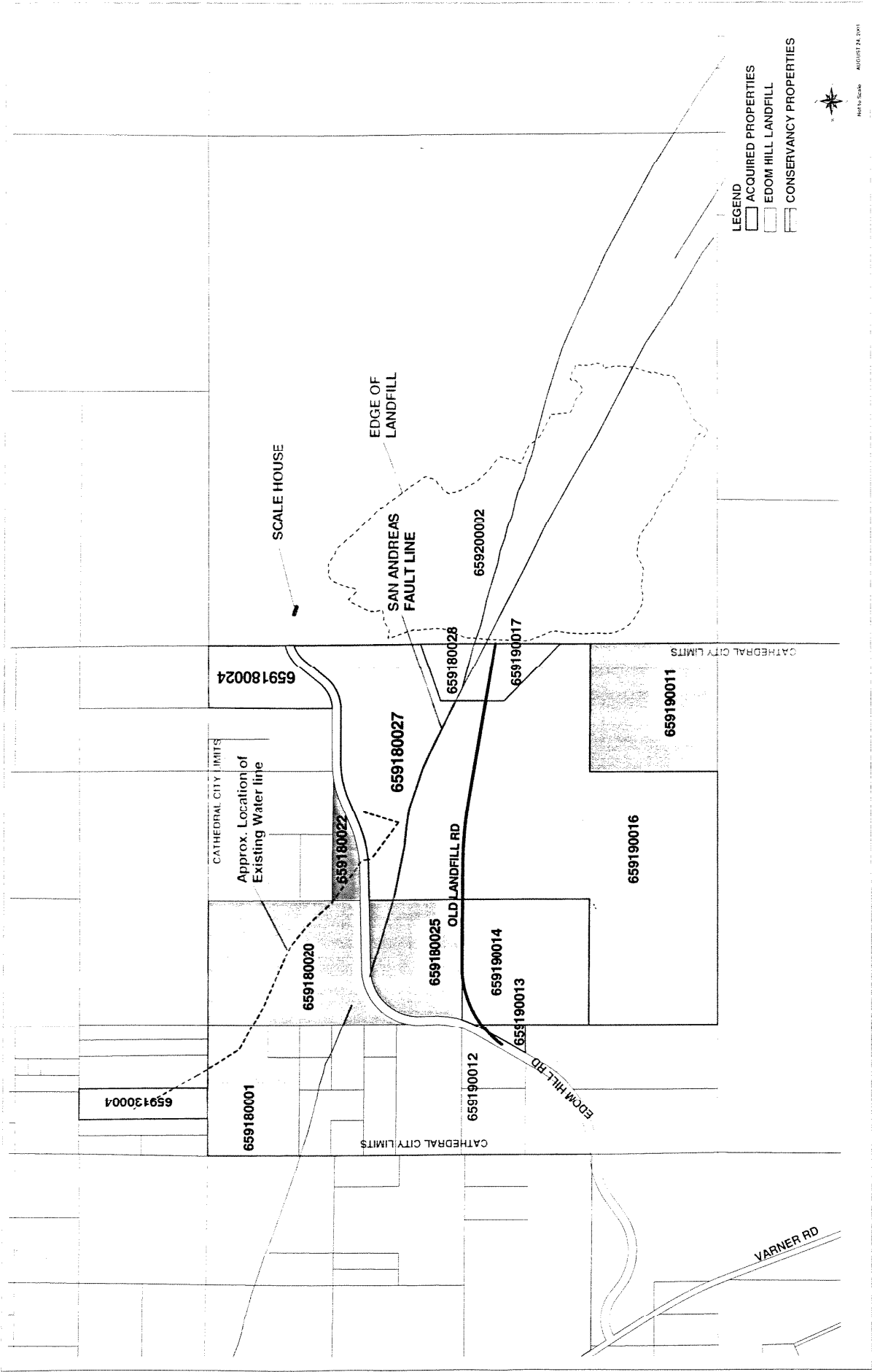
**Tonnage Planning:** The County will not guarantee tonnage to the proponent. All proponents are required to submit their proposals assuming the "Common RFP Response, Planning Range" (1200 to 2600 tpd average, 6 days/week) shown on Exhibit F.

Operators should also plan in their proposals to be open to self-haul customers, four (4) hours on Sundays. Operating hours for Monday through Saturday will be defined during final negotiations, but proponents should not anticipate less than the current landfill operating hours of 7:30 AM to 5:00 PM.

# Monthly Tonnage by Jurisdiction

Jurisdiction	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Total
Cathedral City	1,868	2,374	2,648	2,432	3,820	2,414	2,603	2,175	2,528	4,167	3,380	2,999	33,408
Coachella	1,592	1,514	1,611	1,731	1,834	1,879	1,586	1,535	1,724	1,734	1,808	1,774	20,321
Desert Hot Springs	1,163	1,065	1,093	1,321	1,220	1,103	1,339	1,137	1,258	1,266	1,287	1,187	14,440
Indian Wells	938	1,192	959	1,003	1,106	947	1,147	1,194	1,130	1,119	1,462	1,200	13,397
Indio	4,008	4,802	4,928	6,050	4,938	4,835	5,111	4,304	5,562	4,845	4,946	4,964	59,291
La Quinta	2,919	3,272	2,919	3,482	3,223	2,976	3,291	3,134	3,558	3,379	3,514	2,930	38,596
Palm Desert	6,327	7,147	6,627	7,728	7,666	7,110	7,454	7,279	8,216	7,496	7,629	7,068	87,746
Palm Springs	6,585	6,823	6,649	7,279	7,200	6,770	6,970	7,109	7,995	7,728	7,555	6,716	85,380
Rancho Mirage	2,095	2,249	2,174	2,716	2,801	2,734	2,867	2,645	3,186	2,838	2,758	2,452	31,515
County	3,046	2,890	3,020	3,194	3,341	3,592	3,859	3,825	4,031	3,775	4,015	3,896	42,482
	30,541	33,328	32,627	36,937	37,148	34,360	36,225	34,337	39,186	38,347	38,354	35,185	426,576

Edom Hill Sanitary Landfill and Surrounding Properties



LAND USE AGREEMENT

This Agreement is made as of the 9th day of January, 2001 by and between Riverside County ("COUNTY") and the City of Cathedral City ("CITY").

I. Statement of Facts

1. The parties desire to make a sincere effort to effectively resolve land use controls on the properties ("PROPERTIES") COUNTY proposes to purchase within the CITY as shown on Exhibit "A".
2. Both parties recognize the need for effective planning, zoning, and land use controls with respect to all lands under their respective jurisdiction within these PROPERTIES.
3. The COUNTY has the power to adopt policies to achieve the highest and best use of COUNTY lands, including but not limited to zoning and development thereof.
4. The COUNTY recognizes the CITY's responsibility to regulate land uses within its boundaries consistent with good urban planning.

II. Agreement of the Parties

In consideration of the mutual promises and undertakings hereinafter agreed to, the COUNTY and the CITY hereby agree as follows:

1. Upon execution of this Agreement, the COUNTY shall make applicable to PROPERTIES the laws, ordinances, codes, resolutions, rules, or other regulations of the State of California and of the CITY, limiting, zoning or otherwise governing, regulating or controlling the use or development of PROPERTIES currently within CITY boundaries, and the CITY will process and issue all permits pertaining to said PROPERTIES in all ways necessary and proper for the development thereof, which shall include but not be limited to the following:
  - a. Building and utility permits,
  - b. Change of zone,
  - c. Variances from applicable zoning requirements,
  - d. Conditional use permits,
  - e. Planned Development District permits,
  - f. Tentative and final Tract and Parcel Maps,
  - g. Changes or amendments to the General Plan,
  - h. Enforcement of zoning and building codes, and
  - i. Compliance with State and Federal environmental regulations
2. CITY may collect all applicable and normal permitting fees reasonably related to the cost of administering paragraph 1 above.
3. The COUNTY and the CITY shall consult with each other regarding all planning and zoning matters affecting PROPERTIES.



4. Any party aggrieved by an action of CITY in planning and zoning matters as outlined in paragraph 1.a. through 1.i. above, affecting PROPERTIES may appeal to the COUNTY Board of Supervisors for relief. The COUNTY Board of Supervisors shall, after notice and opportunity for hearing and on the basis of its entire record, affirm, reverse or modify any decision of CITY on a matter affecting PROPERTIES and the decision of the COUNTY Board of Supervisors shall be final. In no event shall COUNTY act finally on an appeal before conferring with the City Council of CITY to review said appeal.
5. This Agreement may be implemented by the development of future procedures, rules or regulations by Agreement of the parties respecting regulation of land use on PROPERTIES identified herein. Either party may terminate this Agreement, without prejudice to any legal position thereafter asserted except as hereafter provided, upon one hundred and eighty (180) days written notice to the other party. In the event of termination of this Agreement, any existing project previously granted approval by the CITY shall continue to be bound by the terms and conditions of such approval.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their respective authorized officers the day and year first above written.

RIVERSIDE COUNTY  
WASTE MANAGEMENT DEPARTMENT  
1995 Market Street  
Riverside, CA 92501

CITY OF CATHEDRAL CITY  
68-700 Avenida Lalo Guerrero  
Cathedral City, CA 92234

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

RECOMMENDED FOR APPROVAL

By: Robert A. Nelson  
Robert A. Nelson,  
General Manager-Chief Engineer

By: [Signature]  
Title MAYOR

RIVERSIDE COUNTY

By: [Signature]  
Chairman, Board of Supervisors  
ATTEST: James A. Venable  
By: [Signature]  
Gerald A. Maloney, Clerk of the Board

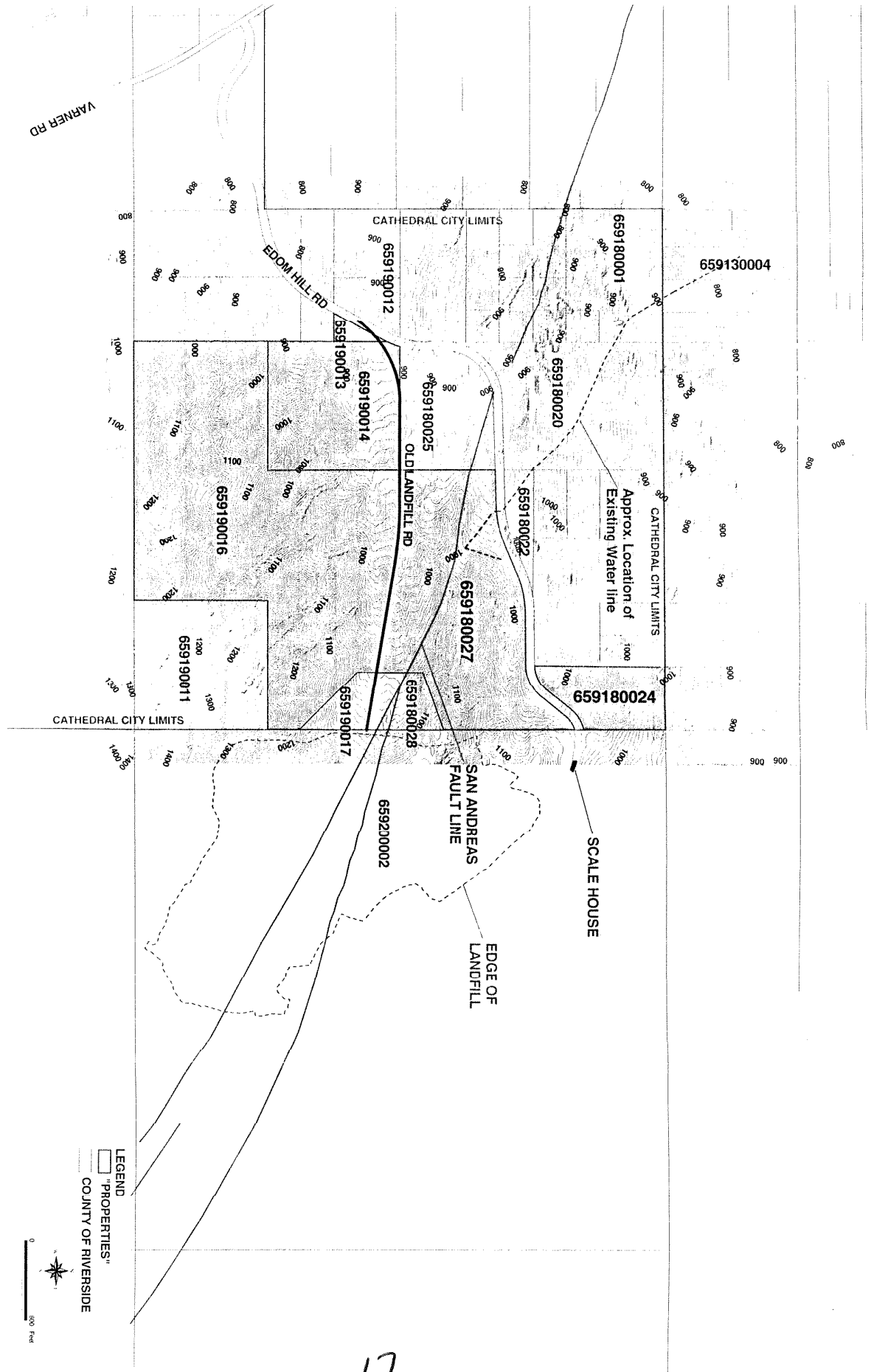
FORM APPROVED  
COUNTY COUNSEL

DEC 07 2000

BY: [Signature]  
ASSISTANT COUNTY COUNSEL

2  
16

JAN - 3 2001 10.1



**FIRST AMENDED AGREEMENT FOR DISPOSAL  
OF SOLID WASTE**

RIVERSIDE COUNTY, (hereinafter referred to as "COUNTY") and The Coachella/Indio Waste Transfer Station Authority, (hereinafter referred to as "AUTHORITY"), hereby agree as follows:

**RECITALS**

WHEREAS, The parties to this FIRST AMENDED AGREEMENT FOR DISPOSAL OF SOLID WASTE desire to amend it substantially in its entirety; and

WHEREAS, this document constitutes an amendment of the existing AGREEMENT FOR DISPOSAL OF SOLID WASTE (dated August 10, 1999) and the parties agree that none of the provisions of the original AGREEMENT shall have any effect whatsoever except to the extent they are specifically restated herein; and

WHEREAS, COUNTY owns and operates landfills for the disposal of solid waste and COUNTY desires to assure a flow of solid waste, particularly from sources within the County of Riverside, to said landfills; and

WHEREAS, AUTHORITY has constructed a Transfer/Recycling Station ("Facility") at the closed Coachella Landfill which is also a part of the Riverside County Recycling Market Development Zone with which to provide processing and transfer of solid waste residue; and

WHEREAS, AUTHORITY desires to arrange for the disposal of all of the non-hazardous solid waste residue from said facility in a Class III sanitary landfill; and

WHEREAS, AUTHORITY desires to dispose of the solid waste residue from said Facility in a Class III sanitary landfill owned and operated by COUNTY; and

WHEREAS, COUNTY owns and operates Class III sanitary landfills and COUNTY is prepared to accept solid waste residue from the Facility delivered by AUTHORITY for disposal under the terms and conditions set forth herein;

**NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

Any obligation imposed upon AUTHORITY under this Agreement may be transferred by the AUTHORITY to its operator provided said duties are described in the Operations Agreement between AUTHORITY and its operator which requires the operator to assume and comply with those duties provided however, AUTHORITY shall remain ultimately responsible for the performance of any and all such obligations.

**SECTION 1.        DEFINITIONS.**

A.     Applicable Law

Applicable law means all statutes, rules, regulations, permits, orders, or requirements of the United States, State, County and local government authorities and agencies having applicable jurisdiction, that apply to or govern the duties of AUTHORITY hereunder.

B.     Solid Waste.

Solid waste to be delivered by AUTHORITY to COUNTY and acceptable to COUNTY, shall all be non-hazardous residential and commercial refuse, garbage and/or rubbish and Construction/Demolition Debris which COUNTY's Landfills may receive under its permits and standard operating policies and includes or excludes any other materials that COUNTY designates in writing from time to time upon at least ninety (90) days' prior written notice to AUTHORITY. Notwithstanding the foregoing, Solid Waste shall not include the following:

- (1)     **Unpermitted landfill wastes**, including all materials that Badlands and El Sobrante or other site which the COUNTY designates for disposal are not permitted to landfill;

(2) **Asbestos**, including friable materials that can be crumbled with pressure and are therefore likely to emit fibers, being a naturally occurring family of carcinogenic fibrous mineral substances, which may be a Hazardous Waste, defined in item (6) below, if it contains more than one percent asbestos;

(3) **Ash** residue from the incineration of solid wastes, including municipal waste, infectious waste described in item (8) below, wood waste, sludge, and agricultural wastes;

(4) **Auto shredder “fluff”** consisting of upholstery, paint, plastics, and other non-metallic substances which remains after the shredding of automobiles;

(5) **Large dead animals**;

(6) **Hazardous Wastes**:

(a) “Hazardous Waste” pursuant to Section 40141 of the California Public Resources Code; regulated under Chapter 7.6 (commencing with Section 25800) of Division 20 of the California Health and Safety Code; all substances defined as hazardous waste, acutely hazardous waste, or extremely hazardous waste by Sections 25110.02, 25115, and 25117 of the California Health and Safety Code (the California Hazardous Waste Control Act), California Health and Safety Code Section 25100 et seq., and future amendments to or recodification of such statutes or regulations promulgated thereunder, including 23 California Code of Regulations Sections 2521 and 2522; and

(b) materials regulated under the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., as amended (including, but not limited

to, amendments thereto made by the Solid Waste Disposal Act Amendments of 1980), and related federal, State and local laws and regulations;

(c) materials regulated under the Toxic Substance Control Act, 15 U.S.C. Section 2601 et seq., as amended, and related federal, State of California, and local laws and regulations, including the California Toxic Substances Account Act, California Health and Safety Code Section 25300 et seq.;

(d) materials regulated under the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC 9601, et seq., as amended, and regulations promulgated thereunder; and

(e) materials regulated under any future additional or substitute federal, State or local laws and regulations pertaining to the identification, transportation, treatment, storage or disposal of toxic substances or hazardous wastes.

(7) **Industrial** solid or semi-solid wastes which are prohibited at the landfill or are inconsistent with the operation of the facility including cement kiln dust, and ore process residues.

(8) **Infectious wastes** which have disease transmission potential and are classified as Hazardous Wastes by the State Department of Health Services, including pathological and surgical wastes, medical clinic wastes, wastes from biological laboratories, syringes, needles, blades, tubings, bottles, drugs, patient care items, such as linen or personal or food service items from contaminated areas, chemicals, personal hygiene wastes, and carcasses used for medical purposes or with known infectious diseases;

(9) **Liquid wastes** which are not spadeable, usually containing less than fifty percent solids, including cannery and food processing wastes, landfill leachate and gas condensate, boiler blowdown water, grease trap pumpings, oil and geothermal field wastes, septic tank pumpings, rendering plant byproducts, and sewage sludge, which liquid wastes may be Hazardous Wastes;

(10) **Radioactive wastes** under Chapter 7.6 (commencing with Section 25800) of Division 20 of the State Health and Safety Code, and any waste that contains a radioactive material, the storage or disposal of which is subject to any other State or federal regulation;

(11) **Sewage sludge** comprised of human and industrial residue, including grit or screenings, removed from a waste water treatment facility or septic tank, whether in a dry or semi-dry form.

(12) **Semi-solid waste** which contains less than 50 percent solids..

C. Solid Waste Residue

Solid Waste Residue means Solid Waste that remains after undergoing any processing, including the separation and removal of recyclables consistent with the Lease Agreement between AUTHORITY and COUNTY, at the transfer station and is then loaded into transfer trailers for delivery to landfills.

D. Construction/Demolition Debris

Construction/Demolition debris means building materials together with packaging and rubble resulting from construction, remodeling, repair and demolition operations on pavements, houses, commercial buildings, and other structures. Construction refers to SIC (Standard Industrial Code) 152 through 1794, 1796 and 1799. Demolition refers to SIC Code 1795.

**SECTION 2.**            **COMPLIANCE WITH APPLICABLE LAW.**

AUTHORITY shall perform all of its respective duties hereunder, and shall cause all of its employees, contractors and agents to perform all of their respective duties hereunder, in accordance with Applicable Law and Permits.

**SECTION 3.**            **DELIVERY OF SOLID WASTE.**

Subject to the provisions of sub item H, AUTHORITY shall deliver or cause to be delivered all of the Solid Waste residue from the Facility to a designated COUNTY landfill(s).

A.    Designated COUNTY Landfills :

COUNTY landfill(s) designated to receive solid waste from the Facility shall be the Badlands Landfill ("Badlands") and Lamb Canyon provided that COUNTY reserves the option to require AUTHORITY to deliver solid waste residue to Edom Hill in the event of short term unforeseen circumstances that prevent AUTHORITY from disposing solid waste residue at Badlands and Lamb Canyon. In such circumstances, AUTHORITY shall deliver solid waste residue to the landfill(s) designated by COUNTY provided that COUNTY shall also indemnify AUTHORITY under SECTION 10 (B) for disposal of the solid waste residue delivered during that required period at any such designated landfill.

In addition, AUTHORITY is granted the option of disposing the Solid Waste Residue from the Facility at other unlined COUNTY landfills provided that AUTHORITY shall give COUNTY written notice of said intent including the landfill it desires to utilize and the tonnage sought to be disposed at said landfill. Thereafter, COUNTY shall, within thirty (30) days, designate such landfill (if such designation is possible under the facility's permits), the tonnage that can be disposed at said landfill and the date on which AUTHORITY can commence disposal provided that such disposal shall commence within sixty (60) days of notice by AUTHORITY. However, AUTHORITY shall



not be indemnified by COUNTY under SECTION 10 (B) hereof for solid waste deliveries made under this provision.

B. Tonnage Notification:

AUTHORITY will notify COUNTY as soon as possible on any day it appears that information about the day's tonnage being forwarded to the landfill would be helpful for the landfill site staff to know as they operate the facility (i.e. an inordinate amount of one waste type, unusually high daily peak, etc.).

C. Size and Type of Delivery Equipment:

The size of tractors and trailers used to transfer solid waste from the Facility to COUNTY landfills will be appropriate to properly fulfill the task. The size will also conform to all standards of the California Highway Patrol.

(1) Transfer trailers used to deliver solid waste to COUNTY landfills will be limited to models with "walking floors" or if an unloading lift is available at the landfill, to those vehicles which can be serviced by the landfill operator.

D. Hazardous Waste Load Check Program:

AUTHORITY shall operate a hazardous waste load check program at the Facility as required by California law and by County Ordinance.

E. Rejection of Solid Waste; Rights of Refusal

COUNTY shall reject receipt of any material that does not meet the definition of Solid Waste included herein. AUTHORITY shall remove any material that is unloaded at COUNTY'S landfills

by AUTHORITY and does not meet the definition of Solid Waste included herein within 24 hours and dispose of it in a safe and lawful manner at AUTHORITY'S sole expense.

F. Tonnage Tracking Compatible with COUNTY'S Current System:

AUTHORITY shall operate a tonnage tracking system that will determine on a daily basis the amount and origin of generation for the entire waste stream delivered to COUNTY landfills. The tonnage tracking system shall be fully compatible with the COUNTY'S current system. AUTHORITY shall provide COUNTY with monthly reports broken down by the origin of generation for the waste stream (including source separated and other diverted recyclables reported separately) delivered to the Facility and all disposal sites within fifteen (15) days of the end of the calendar month, and a year-end report that displays all data broken down by month along with a year total for the calendar year. The format of said reports shall be approved by the COUNTY.

AUTHORITY shall also provide monthly source (residential/commercial/industrial) percentage splits for the waste hauled from each jurisdiction. These reports are due within fifteen (15) days of the end of the month.

The format of all reports shall be approved by the COUNTY.

When the COUNTY implements an electronic reporting system, Upon sixty (60) days notice, AUTHORITY shall transmit origin and source data electronically via the internet within one (1) day of receipt of the prior day's landfill transactions in lieu of monthly reports.

AUTHORITY will notify COUNTY of any discrepancies of more than 5% between tonnage weights reported by AUTHORITY and COUNTY when the discrepancy becomes apparent to AUTHORITY. Both parties agree to have their scales recertified within five (5) working days of said notice. COUNTY will continue using weights as reported by its certified scales.

COUNTY shall have the right to obtain copies of AUTHORITY'S weight tickets on ten (10) sequential transfer loads once a month upon request.

G. Unloading Safety:

AUTHORITY shall unload its transfer vehicles at the landfill in a safe and orderly manner. It will observe all of the posted operational rules of the landfills and take direction in regard to site management from landfill staff while on the premises. COUNTY will provide a safe and accessible unloading area at the landfill.

H. Use of Non-COUNTY Landfills

AUTHORITY may dispose of the solid waste residue from the Facility at landfills other than those owned and/or operated by COUNTY at any time that COUNTY is unable to provide for the disposal of said solid waste residue at Badlands or any other available COUNTY landfill that AUTHORITY had requested to utilize.

Delivery of Facility residue to destinations other than COUNTY landfills, for reasons other than COUNTY'S inability to provide disposal service shall be permitted at the end of twenty (20) full years of Waste Delivery. The beginning of said full twenty year period shall be the date this Agreement is executed by the Riverside County Board of Supervisors (the "Effective Date").

I. AUTHORITY Controlled In-County Waste:

AUTHORITY hereby commits during the Term of this Agreement to deliver Solid Waste it has collected, or its franchisees collected, anywhere within the cities of Coachella and Indio, or from any agency utilizing the Facility, to COUNTY landfills or transfer stations delivering to said landfills.

*26.*

**SECTION 4.**

**ACCEPTANCE OF SOLID WASTE.**

A. COUNTY anticipates that during the Term of this Agreement, as hereinafter defined, it will have sufficient disposal capacity at Badlands and Lamb Canyon to enable it to accept all of the Solid Waste Residue delivered to the landfill facilities from the Facility. Notwithstanding the foregoing, COUNTY shall have no obligation to accept or dispose of the Solid Waste Residue at Badlands and Lamb Canyon or the optional site listed in SECTION 3 above if:

(1) Badlands, Lamb Canyon, and the optional site are closed due to weather or other operational or regulatory concerns, or because of the exhaustion of the permitted disposal capacity of Badlands and Lamb Canyon; COUNTY will direct AUTHORITY to the landfill not impacted by the closure and/or if available designate a new COUNTY Class III sanitary landfill for use by AUTHORITY.

(2) If Badlands, Lamb Canyon, and the optional landfill are closed concurrently for a period of twenty-four (24) or more continuous hours, AUTHORITY may utilize a non-COUNTY facility of AUTHORITY'S choice during this period of no access.

B. COUNTY shall not voluntarily close the Badlands landfill and Lamb Canyon landfill permanently during the term of this Agreement for any reason, with the following exceptions: (i) as required by state or federal law, (ii) exhaustion of permitted disposal capacity, or (iii) force majeure.

C. In the event that Badlands, Lamb Canyon and Edom Hill Landfills have all permanently closed for reasons described in paragraph 4B hereof or for any other reason, AUTHORITY's obligation to deliver Solid Waste Residue to COUNTY and to pay any disposal fee and/or incremental payment required hereunder to COUNTY shall cease.

SECTION 10B of this Agreement does not apply to any delivery of waste to Edom Hill Landfill except as provided in SECTION 3A herein and does apply as described herein to Lamb Canyon.

**SECTION 5.**      **LANDFILL HOURS.**

A. Landfill hours will be established within the parameters of the facility operating permit.

(1) Badlands Landfill will be open between 6:00 a.m. and 4:30 p.m. Monday through Saturday to receive Solid Waste from the Facility. Due to darkness, deliveries to Badlands Landfill between November 15 and January 15 shall be completed by 4:00 p.m. Longer hours are planned but not guaranteed by the operator in later years.

(2) Lamb Canyon Landfill will be open between 8:00 a.m. and 4:30 p.m. Monday through Saturday to receive Solid Waste from the Facility. Due to darkness, deliveries to Lamb Canyon Landfill between November 15 and January 15 shall be completed by 4:00 p.m.

B. COUNTY will provide AUTHORITY with reasonable notice any time landfill operating hours are planned to change .

C. AUTHORITY agrees it has examined access routes to COUNTY landfills and shall make no claims as to deficiencies thereof.

**SECTION 6.**      **TERM.**

The Term of the waste delivery commitments included in this Agreement shall commence on the date this Agreement is executed by the Riverside County Board of Supervisors (the "Effective Date"), and shall end at the completion of twenty full years of Waste Delivery, unless extended by mutual agreement of COUNTY and AUTHORITY or if the Master Lease between AUTHORITY (AKA "LESSEE") and COUNTY is terminated.

**SECTION 7. DISPOSAL FEE, BILLING, and SECURITY.**

A. Disposal Fee:

AUTHORITY shall be charged a per ton disposal fee on the Effective Date of this Agreement of \$23.00 for a Term of twenty (20) full years of Waste Delivery for solid waste residue that is transported to the landfill in a transfer vehicle with walking floors (i.e. typical minimum 20+ tons per pay load) or "possum belly" trucks (typically 23+ tons per pay load). The disposal fee shall be adjusted annually according to the provisions of SECTION 8 and may be revised by COUNTY in the event of a change in law or regulations after the effective date of this Agreement affecting COUNTY'S landfill costs.

COUNTY agrees to modify this Agreement to charge AUTHORITY a lower per ton disposal fee that is consistent with rates set by COUNTY policy on other long term bulk rate delivery contracts if AUTHORITY notifies COUNTY of its willingness to extend the Term of this Agreement beyond the twenty (20) year limit as set forth above.

All other vehicles of AUTHORITY will pay according to the appropriate rate schedule then in effect at COUNTY facilities.

The disposal fee for the delivery of waste to COUNTY landfills includes the incremental payments for COUNTY's closure, post closure and remediation liabilities for participating agencies using the transfer station.

AUTHORITY shall accept all self haul non hazardous loads delivered to its Transfer Station. In order to help address illegal dumping, VENDOR agrees to accept and charge all self-haul, non-hazardous, non-commercial, solid waste loads (with less than 50% of the load green and/or woody waste) weighing up to 600 pounds (the "Minimum Load Charge") not more than \$8.00 per load. The Minimum Load Charge shall not apply to any other type of load delivered to the Transfer Station.

Each such small load is assumed to be .3 tons. In the event AUTHORITY'S contract with the operator requires rates that are lower than stated herein, the lower rates will prevail for all such customers.

B. Billing:

COUNTY shall bill AUTHORITY monthly, based upon certified weigh tickets, for each load of Solid Waste delivered to the landfill. Monthly payments shall be made by AUTHORITY to COUNTY by the thirtieth (30th) day of each calendar month for the previous month's deliveries of Solid Waste.

C. Security:

Security deposits (i.e. bonding, late fees, etc.) will be the same as the then current practice established by Riverside County Waste Management Department.

**SECTION 8. DISPOSAL FEE ADJUSTMENT.**

The disposal fee will be subject to adjustment annually every July 1st following public hearings provided that COUNTY shall give AUTHORITY not less than 14 (fourteen) days prior written notice of said hearing and AUTHORITY shall have an opportunity to be heard and present evidence at said hearing. The first adjustment may be made on July 1, 2001. The maximum increase allowable any one year will be equal to the percent change in the Consumer Price Index (CPI). Computation of the change in the CPI will be made according to the following methodology.

A. Said computation shall be equal to the change in the Consumer Price Index for all Urban Consumers (CPI-U) for the Los Angeles/Anaheim/Riverside Metropolitan Area, (1982-84 = 100), as published by the United States Department of Labor, Bureau of Labor Statistics. Said change shall be measured for the twelve (12) month period January through December. The first

increase may be effective July 1, 2001, based upon changes in the Consumer Price Index formula for the period January, 2000 through December, 2000.

**SECTION 9.**        **INSURANCE.**

AUTHORITY shall obtain, and keep in force for the term of this Agreement all insurance required in the Master Lease between AUTHORITY (aka. LESSEE) and COUNTY.

**SECTION. 10**        **INDEMNIFICATION**

A.    **General Indemnification**

Separate and distinct from the CERCLA indemnification found in this Agreement, COUNTY agrees to defend, indemnify, and hold harmless, AUTHORITY and its officers, agents, and employees from and against any and all claims, demands, damages, liabilities, costs or expenses for any damages or injuries to any person or property, including, but not limited to, injury to County and COUNTY'S officers, agents, or employees which arise from or are connected with or are caused or claimed to be caused by the sole acts or omissions of COUNTY, and its officers, agents, or employees, in operating COUNTY landfill facilities, and all costs and expenses of investigating and defending against same; provided, however, that COUNTY'S duty to indemnify and hold harmless shall not include any claims or liability arising from the active negligence or willful misconduct of AUTHORITY and its agents, officers, or employees.

AUTHORITY agrees to defend, indemnify, and hold harmless, Riverside County Waste Resources Management District (District) and COUNTY and their officers, agents, and employees from and against any and all claims, demands, damages, liabilities, costs or expenses for any damages or injuries to any person or property, including, but not limited to, injury to AUTHORITY'S officers, agents, or employees which arise from or are connected with or are caused or claimed to be caused by the negligent acts or omissions or willful misconduct of AUTHORITY, and its officers, agents, or employees, in operating the Facility, and all costs and expenses of



investigating and defending against same; provided, however, that AUTHORITY'S duty to indemnify and hold harmless shall not include any claims or liability arising from the active negligence or willful misconduct of District and COUNTY and their agents, officers, or employees.

B. CERCLA Indemnification

COUNTY shall indemnify, defend with counsel approved by AUTHORITY and hold harmless AUTHORITY and any participating agency, or either of them, that enters into an agreement with AUTHORITY for the acceptance of solid waste at the Transfer Station, their respective officers, employees, agents, assigns, volunteers and any successor to the AUTHORITY'S and any such participating agency's interest, from and against all third party claims, actual damages (including but not limited to special and consequential damages), natural resources damages, punitive damages, injuries, costs, response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, and expenses, (including but not limited to attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against, AUTHORITY and any such participating agency or their respective officers, employees, or agents arising from or attributable to any pickup, repair, cleanup, or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether or not undertaken due to governmental action) concerning any hazardous substances or hazardous wastes including the release of such substances or wastes arising out of the deposit of AUTHORITY'S, and any such participating agency's, Solid Waste at COUNTY'S lined landfills (Per Subtitle D – which includes Badlands Landfill). It is noted that, as of the execution date of this Agreement, Lamb Canyon is not a lined landfill. The first lined unit is planned during Fiscal Year 2000-2001. All waste placed after the first lined unit is completed shall be considered placed at a lined landfill.

Notwithstanding any of the foregoing terms and provisions, COUNTY'S CERCLA indemnification shall not extend to any such claims for actual damages (including but not limited to special and consequential damages), natural resources damages, punitive damages, injuries, costs,

response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, expenses (including but not limited to attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity), of any kind whatsoever paid, to the extent that such claims are, or can be shown to have been, caused by the failure of AUTHORITY and any such participating agency, their respective officers, employees, agents, assigns, volunteers, and any successor to AUTHORITY'S and any such participating agency's interest to properly operate the required hazardous waste load check program at the Facility as required by California law and as set forth in this Agreement.

The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (c) of the Comprehensive Environmental Response, Compensation and Liability Act, ("CERCLA"), 42 U.S.C. Section 9607 (e) and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify AUTHORITY and any such participating agency from all liability (with the exception noted above). The CERCLA indemnity provided here is separate and in addition to the general indemnification described above.

#### **SECTION 11.**      **FORCE MAJEURE.**

Neither AUTHORITY or COUNTY shall be in default under this Agreement in the event that the delivery of Solid Waste or the disposal of Solid Waste are temporarily interrupted or discontinued for any of the following reasons: riots, wars, sabotage, civil disturbances, insurrection, explosion, natural disasters such as floods, earthquakes, landslides, and fires, strikes, lockouts, and other labor disturbances or other catastrophic events which are beyond the reasonable control of AUTHORITY and COUNTY. Other catastrophic events do not include the financial inability of the AUTHORITY or COUNTY to perform or failure of AUTHORITY or COUNTY to obtain any necessary permits or licenses from other governmental agencies or the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of AUTHORITY or COUNTY.

**SECTION 12.**      **DISPUTES.**

The parties shall make a good faith effort to settle any dispute or claim arising under this Agreement. If the parties fail to resolve such disputes or claims, they shall submit them to nonbinding mediation in Riverside County, California. If mediation does not arrive at a satisfactory result, litigation may be pursued.

Should any dispute arise between the parties concerning the terms, interpretation, effect or operation of this Agreement, and should such dispute result in litigation or mediation between parties, or any of them, the prevailing party in such litigation or mediation shall be entitled to recover from the unsuccessful party(ies) any and all attorneys' fees, disbursements and costs incurred by the prevailing party in such litigation or arbitration. In the event neither party prevails, but a compromise position is imposed, both parties shall bear their own legal expenses.

**SECTION 13.**      **ASSIGNMENT:**

A. Neither this Agreement or any part thereof shall be assigned by AUTHORITY without the prior written consent of COUNTY.

B. If COUNTY relinquishes its ownership of a landfill used by AUTHORITY, AUTHORITY reserves the right to cancel this Agreement. AUTHORITY'S opportunity to approve COUNTY'S successor in interest and cancel this Agreement upon transfer of ownership of a COUNTY landfill site must be exercised within thirty (30) days after AUTHORITY has received written notice from COUNTY that ownership has formally changed hands or will be lost to AUTHORITY.

**SECTION 14.**      **LAW TO GOVERN.**

The law of the State of California shall govern this Agreement.

**SECTION 15.**      **NOTICES:**

All notices, consents or other communications which are required or permitted by this Agreement to be served on or given to any party shall be in writing and shall be deemed served or given when personally delivered or, in lieu of personal delivery, on receipt, rejection or return undelivered, when deposited in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested or overnight mail delivery service, addressed to the applicable party at the address set forth below:

To COUNTY:                      Riverside County Waste Management Department  
   1995 Market St.  
   Riverside, CA 91719

Copy:                              County Counsel

To AUTHORITY:                  Coachella/Indio Waste Transfer Station Authority  
   c/o City of Coachella  
   1515 Sixth St.  
   Coachella, CA 92236

Copy To:                         Authority Attorney

or to such other address as either party may from time to time designate by notice to the other given in accordance with this Section.

**SECTION 16.**      **WAIVER.**

No waiver by either party of any one or more defaults or breaches by the other in the performance of this Agreement shall operate or be construed as a waiver of any future defaults or breaches, whether of a like or different character.

**SECTION 17.**      **BINDING UPON SUCCESSORS.**

All agreements, covenants, conditions, and provisions of this Agreements shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto.

**SECTION 18.**      **SEVERABILITY.**

If any non-material provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the validity and enforceability of any of the remaining provisions of this Agreement.

**SECTION 19.**      **NON-DISCRIMINATION.**

AUTHORITY shall not discriminate in its recruiting, hiring, promotion, demotion or termination practices on the basis of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this contract and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment Practices Act (commencing with Section 1410 of the Labor Code), and the Federal Civil Rights Act of 1964 (P.L. 88-352).

**SECTION 20.**      **ENTIRE AGREEMENT.**

This Agreement, together with the Master Lease, embodies the entire Agreement between COUNTY and AUTHORITY. Each represents that in entering this Agreement it does not rely on any previous oral or implied representations, inducement or understanding of any kind or nature. This document amends in its entirety that certain Agreement entitled AGREEMENT FOR DISPOSAL OF SOLID WASTE executed on August 10, 1999 between Riverside County and the Coachella/Indio Waste Transfer Station Authority. This Agreement may not be modified or amended, in whole or in part, except by writing signed by both parties hereto.

**SECTION 21.**      **CONSTRUCTION OF AGREEMENT.**

The parties hereto have negotiated this Agreement together with the Master Lease at arms length and with advice of their respective attorneys, and no provision contained herein shall be construed against COUNTY solely because it prepared this Agreement in its executed forms.

[Rest of this page intentionally left blank.]

IN WITNESS WHEREOF, this Agreement has been executed and is effective on the date the Board of Supervisors takes action on it.

RIVERSIDE COUNTY WASTE  
MANAGEMENT DEPARTMENT

COACHELLA/INDIO WASTE  
TRANSFER STATION AUTHORITY

Dated: JUN 19 2001

Dated: 6-5-01

RECOMMENDED FOR APPROVAL

By: Robert A. Nelson

Robert A. Nelson

General Manager/Chief Engineer

RIVERSIDE COUNTY WASTE  
MANAGEMENT DEPARTMENT

By: [Signature]

RIVERSIDE COUNTY

By: [Signature]  
Chairman, Board of Supervisors

ATTESTED:

By: [Signature]  
GERALD A. MALONEY, Clerk

APPROVED:

By: Frank C. Aldrich III  
Frank C. Aldrich III, Deputy County Counsel

APPROVED:

By: [Signature]  
HENRY C. Casden, Counsel  
Coachella/Indio Waste Transfer Station Authority

## ***Exhibit E***

### **RFP Submission Process**

#### **Step One**

Submit written questions or requests for clarification regarding the RFP content or process on or before October 15, 2001. All questions must be in writing and addressed to:

Mr. Robert A. Nelson, General Manager – Chief Engineer  
Riverside County Waste Management Department  
1995 Market St.  
Riverside, Ca. 92501

#### **Step Two**

Applicants are invited to attend a Lessees' Conference at the Edom Hill Landfill site on November 5, 2001.

At the Lessees' Conference, technical, procedural, and other matters regarding the RFP will be addressed and the site may be visited. Questions received in writing will be answered at this time. Questions of consequence will be recorded at the conference, and questions and answers will be mailed to all interested parties of record.

#### **Step Three**

Submit 12 copies of your response (with the Submittal Format and Requirements defined herein) and the required non-refundable \$5,000 payment on or before 5 p.m. December 10, 2001. The 12 copies of the proposal shall be submitted to the Department at the address provided in step one. Proposals should be sealed and clearly marked "RFP" on the envelope.

#### **Step Four**

Lessees may be asked to clarify information through writing or interviews. The clarification period is anticipated to occur within approximately 30 days after the submission date. If an interview is requested, you will be advised of the time and place.



## **Submittal Format and Requirements**

All responses shall consist of the following:

1. A **cover letter** providing:
  - Name, address, telephone number and e-mail address of applicant and key contact person.
  - Description of type of organization (e.g. corporation, partnership) submitting the proposal.
  - If joint venture or other teaming arrangement with two or more parties, describe past working relationships on similar projects.
  - Name of entity that would sign a contract if one is negotiated for this project.
2. An **executive summary** (not to exceed three pages and one site plan (11" X 17")) that highlights the major elements of your qualifications and proposal. Include a summary of the technology and system proposed, the amount of waste diversion (if any) anticipated, and a brief overview of the project economics including proposed tipping fees. The summary must include your candid assessment of whether you can be "on-line" by mid to late 2004.
3. **Organize your responses into eight elements** and address each consecutively (as listed below) so that all requested information can be readily found by the review committee. Include the following elements.
  - **Technical information:** Applicant should describe in detail the proposed design, process flow, and operation of the project, including a proposed project schedule. Provide an operating history on each similar facility that uses this technology.
  - **Environmental information:** Describe potential environmental effects and their anticipated mitigation measures.
  - **Marketing information:** Lessees are responsible for outlining a general Marketing plan for recovered materials and/or other waste to energy products.
  - **Project team information:** Highlight the expertise of the parties involved.
  - **Exceptions:** Provide a list and narrative explaining the reason for all exceptions taken to the RFP.
  - **Financial information:** Provide sufficient financial detail to allow the screening committee to evaluate cost and revenue data for the proposed project. In addition, please submit financial reports which demonstrate your company's capabilities to fund the proposed project.
  - **Tipping Fee:** Provide your tipping fee proposal using all assumptions defined in the RFP document. Include a discussion of how your tipping fee would be affected if the outer limits of the "Potential Operating Level" shown on Exhibit F, was the reality your marketing produced.
  - **Appendix:** Any additional relevant data to your proposal.

# Edom Hill Landfill Replacement Facility

## Tonnage Planning Chart

Planning Year 2001 2004\* 2014\* 2024\*

Current Avg Edom Hill LF tonnage 1400

By Mid 2004, the small Mecca LF in the southern end of the Valley is expected to be closed (12,000 tpy)

Additionally, the franchise tonnage currently leaving the system from Cathedral City should be planned for ( approx 24,000 tpy)

This combined tonnage (36,000 / 312 = 115 tpd) should be included in the total Valley tonnage planning numbers (1400+115 = 1515)

Total Valley Tonnage	1515	1704	2523	3734	2001	1515
Balance if 20% goes elsewhere	1212	1363	2018	2987	2002	1576
Balance if 30% goes elsewhere	1061	1193	1766	2614	2003	1639
Balance if 40% goes elsewhere	909	1023	1514	2240	2004	1704
Balance if 50% goes elsewhere	758	852	1261	1867	2005	1772
					2006	1843
					2007	1917
					2008	1994
					2009	2073
					2010	2156
					2011	2243
					2012	2332
					2013	2426
					2014	2523
					2015	2623
					2016	2728
					2017	2838
					2018	2951
					2019	3069
					2020	3192
					2021	3320
					2022	3452
					2023	3590
					2024	3734

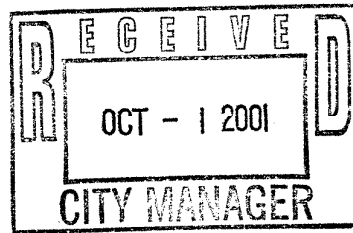
Denotes Requested Common RFP Response Planning Range

Denotes Potential Operating Level

\* Assume 4% Compounded Growth Per Year  
Entire chart assumes Avg. tons per day if operated only 6 days per week

# COACHELLA VALLEY ASSOCIATION of GOVERNMENTS

October 1, 2001



To: Executive Committee, Technical Advisory Committee, and Energy & Environmental Resources Committee

From: Corky Larson

A handwritten signature in cursive script, appearing to read 'Corky', with a horizontal line extending from the end of the signature.

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EES Study on Municipal Electrical Utility for SCE jurisdictions: Next Steps.

1. All jurisdictions received three copies of the full report through their attorney. That report contains confidential material and should be treated as such. It is anticipated that each SCE jurisdiction would discuss the matters presented in the report in closed session as appropriate.

- Gary Saleba, the lead on the study, is available for any questions. It is suggested that each jurisdiction contact him directly.
- His phone number is: (425) 452-9200  
e-mail: saleba@eesconsulting.com

2. The report will come back to the Energy and Environmental Resources Committee, Technical Advisory Committee and the Executive in October.

3. Attached is a proposed assessment schedule should SCE jurisdictions wish to go ahead with the proposed second-phase study.

Please be advised that of the four firms interviewed, all indicated the need for a more in depth study. Some firms (EES was one) used a two phased approach with a preliminary study to see if further study would be warranted. Those firms which indicated a single study were in the range of what the EES two studies would cost.

## Municipal Utility Feasibility Study Funding - Phase II (SCE Jurisdictions)

### Proposed Percentages for Cost Allocation Based on CVAG Dues Formula

Jurisdiction		1/1/00 Population	% of Total	Assessed Value	% of Total	Total % Pop./Assess.	Adjustment to 100% for alloc.	\$250,000 Cost Allocation
Cathedral City	SCE	38,650	20.92%	1,837,460,575	8.76%	29.68%	14.84%	37,101
Desert Hot Springs	SCE	15,500	8.39%	473,724,479	2.26%	10.65%	5.32%	13,311
Indian Wells	SCE	3,560	1.93%	2,530,555,724	12.06%	13.99%	6.99%	17,486
Palm Desert	SCE	37,650	20.38%	6,450,091,099	30.74%	51.12%	25.56%	63,906
Palm Springs	SCE	43,500	23.55%	4,561,563,461	21.74%	45.29%	22.65%	56,613
Rancho Mirage	SCE	11,950	6.47%	3,414,199,280	16.27%	22.74%	11.37%	28,428
Riverside County - CVAG Boundaries (40% of total)	HD/SCE (1)	18,416	9.97%	1,239,147,603	5.91%	15.88%	7.94%	19,844
Agua Caliente Band of Cahuilla Indians	SCE (2)	15,500	8.39%	473,724,479	2.26%	10.65%	5.32%	13,311
Total		184,726	100.00%	\$20,980,466,700	100.00%	200.00%	100.00%	\$250,000

### CRITERIA FOR PERCENTAGES

- (1) Riverside County within CVAG Boundaries - Percentage will be calculated by using only 40% of the total population and assessment used.
- (2) Agua Caliente Band of Cahuilla Indians - Percentage will be equivalent to the lowest percentage allocated to the cities involved.

# **Coachella Valley Association of Governments**

## **Public Briefing on Electric Utility Options Study**

**September 24, 2001**

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- **Introduction and Session Objectives**
- **Study Team Participants**
  - Gary Saleba—EES Consulting, President
  - Ed Aghjayan—EES Consulting, Special Consultant
  - Dean Criddle—Orrick, Herrington & Sutcliffe, Partner
- **Purpose of the Study**
- **Background on Utilities**
  - **Functional components**
    - ✓ **Generation/commodity**
    - ✓ **Transmission/high voltage transport**
    - ✓ **Distribution/local substations, poles and wires**
  - **Deregulation in California/AB 1890**
  - **Recent events at legislature and PUC**
  - **Rate levels are raising and reliability??**
- **Study Area**
  - **Edison territory in Valley**
  - **West of Washington Street**
- **Electric Utility Options to be Considered**
  - **Municipalization of distribution system**
  - **Service to only new electrical loads**
  - **Aggregation of commodity requirements**
  - **Build/participate in generation projects**
  - **Other—legislative, regulatory, demand-side management**

# **Coachella Valley Association of Governments**

## **Public Briefing on Electric Utility Options Study (cont'd)**

**September 24, 2001**

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### **■ Results**

#### **• Current Edison price in Valley**

<b>Commodity, Transmission, State Fees</b>	<b>9.7¢/kWh</b>
<b>Local Distribution</b>	<b>3.4</b>
<b>TTA/Other</b>	<b>1.5</b>
<b>10% Reduction</b>	<b><u>(1.5)</u></b>
<b>Total</b>	<b>13.1¢/kWh</b>

- Service to new loads not cost-effective**
- Aggregation/participation in new generation has longer term benefits of 10–20% of commodity charge but little if any savings in short-term**
- Municipalization of distribution savings immediately of 20–30% off Edison's distribution charge or \$15–\$20/meter/month savings**
- Municipalization savings come from lower borrowing costs, no federal or state income taxes, and less property taxes**
- Municipalization saves Valley residents on Edison system \$25–\$40 million/year**

### **■ Summary/Recommendations**

- Municipalization of distribution system has material savings**
- Municipalization also allows for local control, access to even cheaper tax-exempt financing for future capital requirements, additional opportunities for economic development, control over rate issues such as amount of baselines and possible access to inexpensive federally-generated power**
- Further evaluation of municipalization of Edison's distribution system is warranted**
- Aggregation and participation in new generation longer term objective unless state-imposed exit fees can be avoided**

## **Coachella Valley Association of Governments**

### **Public Briefing on Electric Utility Options Study (cont'd)**

**September 24, 2001**

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- **Schedule/Next Steps**
- **Questions/Answers**
- **Adjournment of Public Session**

## Executive Summary

The Coachella Valley Association of Governments (CVAG) has initiated a study to determine what can be done to alleviate the growing concerns of CVAG members about the current energy crisis in California. Since power supply costs are the biggest component of a customer's electric bill, the option to change suppliers by becoming a utility or an aggregator is a major consideration. There are also inherent savings with a municipal-type structure for the distribution system due to the differences in the less cost of capital, taxation differences and not-for-profit status.

Electric service in the Valley is mostly provided by Southern California Edison (Edison) and Imperial Irrigation District (IID). Electric costs are very high in Edison's territory. The members participating in this study are from those cities whose electric services are provided by Edison -- Desert Hot Springs, Palm Springs, Cathedral City, Rancho Mirage, Palm Desert and Indian Wells, and the Aqua Caliente Tribe. It is this group that is evaluating the electric utility options, not the entire membership of CVAG. References in this document to the "New Utility" refer to one formed by the cities currently served by Edison.

The average energy load for Edison's service area within the CVAG members' boundaries is about 250 aMW. This average load compares to a total of 8,000 aMW for Edison and 25,000 aMW for the entire state. This makes the New Utility's load about 3 percent of Edison's and about 1 percent of the total for the state. The New Utility's size is also close to the 280 aMW load for the Imperial Irrigation District (IID). The average rate paid to Edison is roughly \$130/MWh or 13¢/kWh.

CVAG members have several options available to them. Options to be considered in this report cover a broad range of possibilities from deciding to keep the situation the same as it is now, to condemning Edison's system and running it as a municipally-owned utility. These options are discussed in a broad sense at this point but can be fine-tuned once a more definite direction is selected. Options discussed in this report include:

- Municipalization (Negotiated or Condemnation)
- Formation of a New Utility to Serve New Customers/Load Growth Only
- Aggregation of CVAG Member Loads and/or Constituent Loads
- Participation in New Generation Developed in the Valley
- Other Options—Legislative, Regulatory and Demand Side Management (Conservation)

Based on the options identified, a preliminary economic evaluation was performed to determine the potential savings to CVAG members under each option. This preliminary evaluation is



intended to provide broad direction in terms of going forward with a change in the current full electric service from Edison. All information in this study was taken from public documents or other information provided by the CVAG members.

In general, the economic benefits from the various options will depend on a great many issues that currently cannot be known with certainty. For example, market prices for power supply have proven to be highly volatile and unpredictable, there are dozens of legislative bills pending that could impact the study's conclusions, and the ultimate status of Edison's financial future is unknown at this time. For these reasons, the study results are presented in terms of ranges.

In summary, the economic, legal and operational reviews of all options available to the CVAG members served by Edison indicate several actions may be prudent. First, municipalization of the Edison distribution function within the Valley is cost-effective. The distribution function can be undertaken by a municipal utility at a savings of 20 to 25 percent over Edison's rate for the distribution function. Secondly, local generation and/or aggregation of Valley loads could save another 10 to 25 percent off Edison's current power supply charges if state-imposed exit fees are not accessed. Finally, the municipalization of Edison's distribution function would save Valley residents between \$15 – \$50 million annually in lower power bills, provide for local control over such matters as the baseline allocation amount and provide additional opportunities for local economic development. These savings are primarily a function of a municipality's lower cost of money, favorable income tax treatment and non-profit status.

The following provides a more detailed comparison of the options in terms of economics and other factors.

- **Municipalization–Negotiated or Condemnation.** In the event of a negotiated sale of the system to a New Utility or exercise of eminent domain powers, savings for the distribution of power is in the range of about \$7 to \$9 per MWh. These hard savings are in addition to the benefits associated with local control, access to tax-exempt financing, additional opportunities for economic development and control over rate issues such as the baseline amount.
- **New Utility to Service Only New Loads.** If a New Utility is formed to serve only new customer growth in the Valley, costs for distribution of power will be higher than Edison in the early years by as much as \$15 per MWh. Over the longer run, savings of about \$2 per MWh are expected. The benefits of a municipal utility in this case would apply only to new customers.
- **Aggregation.** Savings from aggregation accrue only to the power supply component of the rate. The distribution function would still be provided by Edison. If stranded costs can be avoided, savings of about \$10 per MWh can be achieved through aggregation. This is about 10 percent savings over Edison's power supply rate component. Savings may also be offset by stranded costs under aggregation, and in fact, the legislature may disallow aggregation entirely in the future.
- **New Generation.** Participating in new generation projects has the potential to save as much as 10 percent in the early years, and 25 percent over the long term when compared to market

price projections. Savings for options other than taking project output may be more or less than this, depending on negotiations.

In developing a recommendation for CVAG members, economics, organizational options, legislative status and other issues are all important factors. Because of the uncertainty in data for Edison assets at this time plus the large impacts on rates from legislation that is yet to be resolved, it is difficult to predict accurate savings under any option at this time. We do, however, have a broad understanding of savings that can occur under different options. Because there are many legislative issues that will have a large impact on electric bills, with and without municipalization, there may be opportunities to affect that legislation to receive a favorable outcome. At the same time, there may be unique windows of opportunity as new generation is built in the Valley, and as Edison is working out solutions to its financial difficulties.

Given the pros and cons of the various options considered, it is recommended that CVAG members:

- Pursue the municipalization of the Edison distribution system.
- Pursue aggregation and/or participation in new generation if all or part of the state-imposed exit fees can be avoided.

These recommendations are not made lightly. The task of acquiring Edison's distribution functions may not be simple or quick. A certain amount of risk is inherent in any transaction of this nature and size; however, the potential benefits of acquiring Edison's distribution function for the Valley residents appears to be large enough to justify municipalization. The savings noted in this study are certainly material but in the longer-term, additional savings are likely.

The 25 to 30 percent savings on the wires component or roughly 10 percent on the total bill are hard savings that are available immediately under municipalization. In the future, additional benefits and savings will accrue due to a municipal utility's access to low cost federal power, tax-exempt financing, preferable tax treatment, not-for-profit status and control over rate setting. These future benefits are already realized by existing customers of municipal systems in southern California where their current rates are 30 to 40 percent less than Edison's.

**STATEMENT TO COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS -  
JOINT MEETING OF EXECUTIVE COMMITTEE & AND ENERGY AND  
ENVIRONMENT COMMITTEE  
September 24, 2001**

My name is Mary Drury, Public Affairs Project Manager for Southern California Edison. I appreciate the opportunity to speak before you tonight.

Southern California Edison recognizes the wholesale marketplace for the purchase of electricity has been dysfunctional. Unfortunately, this dysfunction has created retail uncertainty for customers of many utilities – investor-owned as well as some municipal utilities. We understand cities or JPAs such as CVAG feel an obligation to their constituents to try to find alternatives to this market dysfunction.

However, in seeking alternatives, it is imperative that sound economic feasibility studies based on fact – not assumptions – are done. This investigation and the studies, from the beginning, must be done with public disclosure of all reports and opportunities for public hearings where all parties as well as consumers are privy to the same information.

Your release of only the executive summary of the EES consulting report only provides a broad brush of assumptions and conclusions and cannot be adequately responded to for factual and direct information that will be critical to your making an informed decision. There can be no meaningful public debate on this enormously important and potentially fateful course of action unless the full report is released and comments on it are entertained.

Our initial reaction to the executive summary is one of disappointment and concern. Concern because the executive summary provides little in the way of specific criteria, methodology or actual facts that are extremely important in making a decision of this magnitude. Disappointment because CVAG members seem unwilling to share their findings with the public they have been elected to serve. I am sure the residents and businesses of the Valley will want a full and complete understanding of the risks and exposure associated with such a huge undertaking.

Owning and operating a municipal electric system is a costly gamble for CVAG members, the Valley's residents and businesses. We are concerned that your study was completed in less than three months and is based on limited information. The executive summary even admits that its conclusions could be significantly impacted by a number of events remaining to be determined by the State including any exit fee responsibilities the Legislature will impose on those customers departing utility service.

In addition, we are concerned about the artificially low price your consultant's report estimates as the cost to acquire the SCE distribution system. By EES's estimates, the fair market value of the SCE system in the Valley is estimated at only \$183 million. This figure has orders of magnitude less than the actual fair market value that would have to be paid if Valley cities were to prevail in the multiple eminent domain lawsuits that would have to be filed and won for this plan to go forward. In 1994, the City of Palm Springs evaluated the potential takeover of the SCE system. At that time, the respected industry consulting firm,

CH2M HILL, valued SCE's facilities and land in Palm Springs alone at more than \$112 million. Merely extrapolating this figure to all cities in SCE's territory in the Valley put the value at more than \$350 million. And, this is only part of such an undertaking.

None of the estimated costs, however, include additional costs such as system separation, debt service, legal fees, closing costs, start-up and administrative severance costs. All of these added costs would likely be well over an additional \$100 million for a total estimated cost of \$450 million.

Will the cities in the Valley be in a position to obtain private financing, paying the debt service, for over \$450 million? As a note, private financing must be obtained because IRS tax code states tax-exempt financing cannot be used to take-over an existing system.

Furthermore, the report admits that it cannot presently address significant contingencies such as exit fees that the State will charge for power costs already incurred.

We recognize tonight's action would be only the first of many steps that will have to be taken if CVAG determines the need to consider this course of action. SCE has stated before and will say again: the SCE system is not for sale.

We have also stated and will continue to state the offer of our expertise and understanding of the electrical energy market to assist local communities in evaluating their energy options including possible community aggregation.

In light of the magnitude of this potential undertaking and its potential impact on SCE's customers, residents and businesses of the Valley, the full EES report be should made public and SCE be permitted to comment on it.

I will be happy to provide the CH2MHILL report to any CVAG member who would like a copy and to answer any questions you might have.

Thank you again for the opportunity to speak to you.

## ***Media Statements***

### ***Coachella Valley Association of Governments' Municipal Electric Utility Feasibility Study***

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*According to Mary Drury, Public Affairs Project Manager, Southern California Edison...*

- Southern California Edison (SCE) acknowledges the right of the Coachella Valley Association of Governments (CVAG) to explore the feasibility of municipalization. In fact, SCE wants to participate in that evaluation process and has a lot to offer to it. We applaud CVAG for not rushing into a decision. We just want to ensure that the process is fair, open and protects the public interest.

The creation and operation of a new municipal electric utility does nothing to address the real problem facing California. The problem today is one of the availability and cost of the electric commodity, not the quality or cost of the distribution service that delivers that commodity to customers.

While municipalization, the creation of a new publicly owned utility system through a litigated taking of SCE's own facilities may sound like a win-win proposition at first for CVAG and its constituents, it is loaded with complexity and long-term downside risks.

In light of the magnitude of this potential undertaking and its potential impact of SCE's customers, the residents and businesses of the Valley, we request we be made an active part of the CVAG evaluation process and that the full detailed EES Consultant's report - not merely inconclusive and assumption-heavy executive summary - be made public and SCE be permitted to comment on it.

- We also believe that many of SCE's customers, including the citizens throughout the Valley would want to participate in this process.
- We believe the consultant's report vastly understates the costs to customers and taxpayers of taking over SCE's facilities. We are concerned about the unrealistically low cost estimate of only \$183 million CVAG's consultant's report suggests as the cost to acquire the SCE distribution system in the Valley.
- History bears us out. When the City of Palm Springs evaluated the potential takeover of the SCE system back in 1994. SCE's consultant, respected industry expert, CH2M Hill valued SCE's facilities and land in Palm Springs alone to be more than \$112 million. Extrapolating this figure to all cities in SCE's territory in the Valley, a more realistic estimate would be more than \$350 million.

- Even this estimated facilities cost, however, does not include the additional costs such as system separation, debt service, legal fees, closing costs, start up and administrative severance costs, all which would likely be well over an additional \$100 million that would be required to establish this new system.
- Once all of the costs are finally determined and are translated into the electric rates customers in the Valley would have to pay, will municipalization actually offer benefits to customers in the Coachella Valley?

Will the cities in the Valley be in a position to obtain private financing plus pay the debt service for more than \$450 million? Could they issue tax-exempt financing to cover the amount of the judgment a court would enter if the cities prevail in their eminent domain litigation against SCE?

- Owning and operating a municipal electric system is a costly gamble for CVAG members, the Valley's residents and businesses. This complex and expensive activity includes costs far beyond the mere initial purchase price of the facilities. Such costs in this process include, but are not limited to:
  - **Purchase Price** - SCE's Coachella Valley facilities will have a purchase price in excess of several hundred million dollars at the fair market value CVAG members would have to pay.
  - **Severance Costs** - SCE's electric system is an integrated whole that is not constructed in a modular, city-by-city basis. CVAG members can not simply unplug SCE's facilities and operate them separately. "Severance" is the costly process of isolating the newly acquired SCE facilities from the previously integrated SCE system in order to operate them as a separate municipal utility. This expensive process requires the reconfiguring facilities on both the CVAG and the utility's side of the cuts.

In addition, the formation of the new municipal utility requires the installation of new and updated equipment and facilities to replace utility equipment that is necessary for reliable system operation but would not be included with the acquired facilities. This new equipment includes control systems and other utility equipment located outside the boundaries of the new municipal system. SCE's service to the Coachella Valley is so reliable because of significant redundant backup facilities located outside the Valley's boundaries.

- **Start-Up Costs** - Once the acquired system is severed, the new operator must initiated start up, which will require the purchase, installation and construction of needed operating facilities not included in the acquired system. Finally, a new municipal utility would be required to fully staff a new municipal operating department.



- **Cost of Capital** – The purchase price, severance costs, start-up costs, and other costs mentioned above would require significant funds, which must be financed. The long-term cost of capital (carrying costs, interest, bond offering costs, etc.) spread over the life of the financing instrument such as bonds, will be significant.
  - **New Capital Costs** – CVAG will have to develop a steady stream of new capital in addition to purchase price/startup costs to ensure that the municipal utility has the means to meet contingencies and operating issues. While it is possible that some of this capital will be met through depreciation, the need to acquire new capital to operate, maintain and expand the system is likely.

The long-term debt that CVAG members will have to incur will be substantial and will result in significant long-term carrying and depreciation costs. SCE believes CVAG members will not be able to provide the levels of O&M, undergrounding, and maintenance support currently enjoyed by Valley energy customers and still meet its financial responsibilities without increasing electric rates. CVAG must address *all* of the true costs of establishing a new municipal utility, not just merely the cost of acquiring SCE's facilities before committing significant time and taxpayer funds.

- A CVAG member-owned system could put service reliability at risk.

SCE has a track record as one of the most reliable electric providers in the country. SCE's reliability record would be hard to achieve. When the lights go out, you will no longer be able to call SCE.

- A CVAG member-owned system could result in higher taxes and higher rates.

Government takeover of your electric system does not guarantee lower rates for Coachella Valley residents and businesses. Attempting to go into the electric business could require CVAG members to generate new revenues through rate and/or tax increases to the customers.

- There is substantial risk to industrial and commercial customers.

Municipal utilities typically charge higher rates to their industrial and commercial customers and use these sources to subsidize residential customers. Higher rates for businesses are bad for the Valley's economy.



**CITY OF CATHEDRAL CITY**

**MINUTES OF THE CITY COUNCIL AND THE CITY COUNCIL  
SITTING AS THE REDEVELOPMENT AGENCY**

**WEDNESDAY, SEPTEMBER 26, 2001**

This regular meeting of the City Council, also sitting as the Redevelopment Agency, was called to order by Mayor/RDA Board Chairman George Stettler in the Council Chamber at 68-700 Avenida Lalo Guerrero, Cathedral City, California, on September 26, 2001, at a 3:00 p.m. Study Session with Roll Call of members present.

**ROLL CALL:**

Present: Councilmembers/RDA Board Members Kathleen De Rosa, Sarah Di Grandi, Charles England, Mayor Pro Tem/RDA Board Member Greg Pettis and Mayor/RDA Board Chairman George Stettler.

Absent: None

The regular evening meeting began at 7:30 p.m., and was opened by Mayor/RDA Chairman Stettler with an invocation by Mayor Pro Tem/RDA Board Member Greg Pettis. The presentation of colors was performed by the Cathedral City R.O.T.C. , followed by the flag salute led by Councilmember/RDA Board Member Sarah Di Grandi.

**POSTED CLOSED SESSION:**

1. CONFERENCE WITH LEGAL COUNSEL REGARDING POTENTIAL LITIGATION pursuant to government Code Section 54956.9 subd. (c).  
**Number of Potential Cases: Two**
2. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION pursuant to Government Code Section 54956.9, subd. (a).  
**Case Name:** Case name is unspecified since disclosure would jeopardize existing settlement negotiations.
3. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION pursuant to Government Code Section 54956.9, subd. (a).  
**Case Name:** Wilkins v. Big League Dreams Sports Park (Cathedral City)  
**Case Number:** INC 021042

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4. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION pursuant to Government Code Section 54956.9, subd. (a).  
**Case Name:** City of Cathedral City v. Jack D. Janofsky, et al.  
**Case Number:** CIV079585
5. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION pursuant to Government Code Section 54956.9, subd. (a).  
**Case Name:** City of Cathedral City v. Jack D. Janofsky, et al.  
**Case Number:** INC 019283
6. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8. (Paul Shillcock)  
**Properties:**  
Location: Various Parcels South of East Palm Canyon Drive Between Date Palm and Van Fleet APN Nos.: 687-222-004; 687-224-007; 687-225-011; 687-225-017; and 687-221-001  
**Negotiating Parties:**  
Agencies: Redevelopment Agency and BCN Development  
Property Owner: Redevelopment Agency  
**Under Negotiation:** Disposition of Property
7. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code section 54956.8 (Paul Shillcock/Tony Barton)  
**Property:**  
Location: North of 30<sup>th</sup> Avenue and East of Date Palm Drive: APN Nos. 670-372-008 through -016; 670-373-008 through -036; and 670-060-025.  
**Negotiating Parties:**  
Agencies: City of Cathedral City & The Berger Foundation  
Property Owner: Berger Foundation  
**Under Negotiation:** Acquisition of Property

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8. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code section 54956.8 (Paul Shillcock/Tony Barton)  
**Property:**  
Location: Northeast Corner of 30<sup>th</sup> Avenue and DaVall Drive  
**Negotiating Parties:**  
Agencies: City of Cathedral City & Palm Springs Cemetery District  
Property Owner: Palm Springs Cemetery District  
**Under Negotiation:** Acquisition of Property
9. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code section 54956.8 (Susan Moeller)  
**Property:**  
Location: 68-752, 68-933, 68-911, 68-903, and 68-885 West Buddy Rogers Avenue  
**Negotiating Parties:**  
Agencies: Cathedral City Redevelopment Agency & LINC Housing  
Property Owner: Cathedral City Redevelopment Agency  
**Under Negotiation:** Disposition of Property
10. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code section 54956.8 (Warren Bradshaw)  
**Property:**  
Location: 68795 C Street  
**Negotiating Parties:**  
Agencies: Cathedral City Redevelopment Agency & Margaret Lindblade  
Property Owner: Margaret Lindblade  
**Under Negotiation:** Real Estate Negotiation
11. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code section 54956.8 (Warren Bradshaw)  
**Property:**  
Location: APN: 674-020-011 & 674-020-009; located at Date Palm Drive and the Whitewater River Wash  
**Negotiating Parties:**  
Agencies: Cathedral City Redevelopment Agency & Barbara Lyons-Gonzales  
Property Owner: Barbara Lyons-Gonzales  
**Under Negotiation:** Real Estate Negotiation

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12. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8. (Susan Moeller)

**Property:**

Location: North Side of E. Palm Canyon Drive West of Monty Hall

**Negotiating Parties:**

Agencies: Redevelopment Agency & Palm Canyon Partners

Property Owner: Redevelopment Agency

**Under Negotiation:** Real Property Negotiations

Property Owner: Redevelopment Agency

**Under Negotiation:** Disposition of Property

**CLOSED SESSION ANNOUNCEMENTS:** Mayor/RDA Chairman George Stettler announced that City Council approved the purchase of real property located at 68795 C Street in the amount of \$78,000 plus relocation costs per applicable law. The action was carried by a 5-0 vote.

**PUBLIC COMMENTS:**

- ☞ Bill Cohen, Cathedral City - C.O.P.S has T-shirts for sale. The cost is \$16 each. He is also accepting donations for the Little Red School House. Any donations are welcome.

**AGENDA FINALIZATION:**

Mayor/RDA Chairman Stettler announced that Item No. 4 would not be discussed until a date to be determined. Councilmember/RDA Board Member De Rosa announced she would be abstaining on Item No. 9 due to a business conflict.

**COUNCIL COMMENTS:**

- ☞ Mayor/RDA Chairman George Stettler:
- Announced the City Council's appointment of Tracy DeRoche to the Streets and Transportation Commission.
  - Cathedral City High School has their football games on Friday nights. Last week they lost but it was a great game. He urged the public to show their support of our team.

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Councilmember/RDA Board Member Kathleen De Rosa:

- Cathedral City Elementary School looking for literary mentors for their One-on-One Tutoring Program to be held October 4<sup>th</sup> at Cathedral City Elementary.
- Applauded Staff, particularly Travis Lund and Diane Sawa for their work on the TUMF-CVAG audit.
- Announced the Hope Relay Race for the American Cancer Society will be held at the Elk's Lodge, Lodge 1905. The fee is \$10/per person on October 24. Since it's a Council Meeting night the Council will be unable to attend but the public is urged to attend. It takes place at 5:30. They are also looking for people to run the relay. Call 324-6507 for information.
- The Cathedral City Library is in need of volunteers to help bring in books and maintain them. Volunteers are always welcome.
- The Senior Center Dinner is being held December 7th in honor of Pearl Harbor survivors.
- Urged the public to support the City's two major sponsors of America's First Choice Magazine; J. Anthony Plumbing and Preferred Plumbing.
- Thanked Tony Barton for the work being done on the Halloween Fest. It will be held October 31 at Big League Dreams.



Mayor Pro Tem/RDA Board Member Greg Pettis:

- Announced that delegates from our Sister City, Tequila, Jalisco were here. They were taken on tours of the Police and Fire Department and were very pleased to be there.
- Last Sunday there was a small remembrance service held in front of Civic Center for those we lost in New York. Thank you to David Holland from Temple Isaiah, Paul Marchand from St. Paul's Episcopal Church, Jerry Johnson from Lily of the Valley and Emily Ramirez for their help with that service.
- Sarah Di Grandi will be honored this November as Elected Official of the Year by our local AMVETS post.



Councilmember/RDA Board Member England:

- Father's Heart Ranch in Desert Hot Springs is a new facility geared toward abused Children in Riverside County. The Piersons bought the property and started this campus. They need some finishing touches. Any contractors out there willing to donate their services, the Father's Heart is in need and it is a worthwhile organization. Contact Peter Johnston if you can help: 251-8858. The Desert Sun ran an article on the program on September 17, 2001.

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- ☞ Councilmember/RDA Board Member Di Grandi:
- Urged everyone to pick-up a copy of Palm Springs Life - Cathedral City is showcased; it's a great piece with wonderful articles.
  - Announced she will be working with the students at Agua Caliente School, helping those children learn to read.
  - Asked Police Chief Stan Henry to share about the grant secured by Mike Scacco to send Cathedral City High School's sophomore class to the Museum of Tolerance. Chief Henry responded and asked interested parties to contact Mike Scacco at the Police Department to become a chaperone.

**PRESENTATIONS AND PROCLAMATIONS:**

- ☞ Chief Sowles publicly thanked the fire/paramedic crew responsible for saving the life of Kiely Nicole Burdette, a newborn infant delivered on a doorstep five months premature. Their heroic efforts saved this child's life. The infant's mother, Sheila Burdette, was also in attendance to express her gratitude.
- ☞ Mayor Stettler presented a Proclamation of City support for the heroism shown in the tragic terrorists attacks of September 11, 2001.
- ☞ Mayor Stettler presented a Proclamation designating September 24-30, 2001 as Code Enforcement Week to Fire Chief Steve Sowles.
- ☞ Police Chief Stan Henry introduced and welcomed Ernesto Vasquez, a new Cathedral City Police Officer.

**CALL FOR CORRECTIONS/APPROVAL OF MINUTES:**

Minutes of the Regular City Council/Redevelopment Agency Board Meetings Held on September 10, 2001, were approved as amended.

**PUBLIC HEARINGS:**

1. Authorize the transfer of certain real property, underlying the Riverside County Flood Control District easement in the East Cathedral Canyon Channel, from the Cathedral City Redevelopment Agency to the City of Cathedral City for no financial consideration.

A report was given by Economic Development Manager Paul Shillcock.

Public Hearing was opened and closed without comment.

Councilmember/RDA Board Member Di Grandi made a motion, seconded by Councilmember/RDA Board Member England, carried by a 5-0 vote, to accept staff's recommendation. The action was adopted by **Minute Order Nos. 3297 and R-863.**

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2. Appeal of Conditional Use Permit (CUP) 01-292 for a tattoo and body piercing establishment at 68461 East Palm Canyon in the MXC (Mixed Use Commercial) Zone within the Downtown Precise Plan.

Report was given by City Planner Cynthia Kinser.

Public Hearing was opened:

- ☞ William Ramsey, Palm Desert (applicant) - Requested the City Council suggest an alternate location if the CUP was denied.
- ☞ Winston Garfield, Cathedral City - is in favor of the tattoo and body shop at the proposed location.

Public Hearing was closed.

Mayor Pro Tem Pettis made a motion, seconded by RDA Board Member Di Grandi, carried by a 4-1 vote, with RDA Board Member De Rosa voting no, to overrule Planning Commission's decision and deny Conditional Use Permit 01-292, finding that personal services in the downtown precise plan would not include tattoo and body piercing; the use being not appropriate in the downtown area nor an appropriate use near residential areas. This action was adopted by **Minute Order No. 3298**.

3. Authorize the Executive Director to execute a Disposition and Development Agreement with Gemstone Properties (Crystal Chrysler) to facilitate the trade of the existing municipal parking lot at the corner of Perez and Kyle Roads in the auto center for the same sized parcel of developed public parking north of Perez Road adjacent to the auto center to allow for the development of a new car sales/service facility.

Report was given by Economic Development Manager Paul Shillcock.

Public Hearing was opened and closed without comment.

RDA Board Member Di Grandi made a motion, seconded by RDA Board Member De Rosa, carried by a 5-0 vote, to authorize the Executive Director to execute a Disposition and Development Agreement with Gemstone Properties (Crystal Chrysler) to facilitate the trade of the existing municipal parking lot at the corner of Perez and Kyle Roads in the Auto Center for the same size parcel of developed public parking north of Perez Road adjacent to the Auto Center to allow for the development of a new car sales/service facility. This action was adopted by **Resolution Nos. 2001-66 and R-323**.



**LEGISLATIVE ACTIONS:**

4. Approve Final Parcel Map No. 29719 (Ritz Carlton Golf Course), accept the dedications made to the City on the final map, and authorize the execution of the performance agreement. **This item was pulled from the Agenda and not heard.**
5. Request by the Cathedral City Auto Dealers Association to reimburse the Association for all costs associated with the purchase and installation of a Reader Board to be erected at the Date Palm Drive exit of I-10 Freeway.

Report was given by Economic Development Manager Paul Shillcock.

Public Input was opened:

☞ Richard Hauke, Champion Mitsubishi - Requested City Council's support.

Public Input was closed.

RDA Board Member De Rosa made a motion to accept staff's recommendation with the amendment that funding would come from sales-tax increment as much as possible. The motion failed for lack of a second.

RDA Board Member Pettis made a motion, seconded by RDA Board Member Di Grandi, carried by a 4-1 vote, with RDA Board Member De Rosa voting no, to approve staff's recommendation. The action was adopted by **Minute Order No. R-864.**

6. Proposed Resolutions implementing the Capital Improvement Program (CIP) for Fiscal Year 2001-2002 as outlined in the proposed 2001-2002 Capital Improvement Program book.

Report was given by Traffic and Development Division Manager Jerry Jack.

Public Input was opened and closed without comment.

Councilmember/RDA Board Member De Rosa made a motion, seconded by Councilmember/RDA Board Member England, carried by a 5-0 vote to adopt the Capital Improvement Budget for Fiscal Year 2001-2002 by **Resolution Nos. 2001-67 and R-324.**

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7. Award of contract to In-2-Lights of California, in the amount of \$20,300 for installation of annual holiday lighting on trees in parkways and medians in the same locations as last year, and for \$6,118 to purchase and install holiday lights at several new locations.

Report was given by Senior Engineer Bill Bayne

Public Input was opened and closed without comment.

Mayor Pro Tem Pettis made a motion, seconded by Councilmember/RDA Board Member De Rosa, carried by a 5-0 vote to award a contract to In-2-Lights for holiday lighting installation by **Minute Order No. 3299**.

8. Authorize **1)** a loan from the Housing set-aside fund balance to a new Capital Improvement Program (CIP) for the proposed conference hotel (BCN Project) in amount not to exceed Two Hundred Twenty Thousand Dollars (\$220,000); and **2)** the Executive Director to execute a Professional Services Contract in substantially the same form as attached with Oliver, Vose, Sandifer, Murphy & Lee (OVS) for eminent domain and other legal services required for the proposed conference hotel (BCN Project).

Report was given by Redevelopment Director Susan Moeller.

Public Input was opened and closed without comment.

RDA Board Member Pettis made a motion, seconded by RDA Board Member Di Grandi, carried by a 5-0 vote, to approve Staff's recommendation by **Minute Order No. R-865**.

9. Authorize the Executive Director to execute a contract with Superior Electrical Advertising for new and upgraded signage for the IMAX Theatre, in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000). **Councilmember/RDA Board Member De Rosa abstained from discussion due to a business conflict.**

Report was given by Project Manager James Cleary.

Public Input was opened and closed without comment.

RDA Board Member Pettis made a motion, seconded by RDA Board Member Di Grandi, carried by a 4-0 vote, with RDA Board Member De Rosa abstaining, to adopt Staff's recommendation by **Minute Order No. R-866**.

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10. Authorize the purchase of two Fire Department staff vehicles due for replacement from the vehicle replacement fund.

Report was given by Fire Chief Sowles

Public Input was opened and closed without comment.

Councilmember/RDA Board Member Di Grandi made a motion, seconded by Councilmember/RDA Board Member De Rosa, carried by a 5-0 vote to adopt Staff's recommendation by **Minute Order No. 3300**.

11. Proposed Resolution in support of the Traffic Congestion Relief Act Initiative, which provides funding means to initiate an Inter-City Rail between the Coachella Valley and Los Angeles.

Report was given by City Manager Donald Bradley.

Public Input was opened and closed without comment.

Councilmember/RDA Board Member Di Grandi made a motion, seconded by Councilmember/RDA Board Member De Rosa, carried by a 5-0 vote to support the Traffic Congestion Relief Act by **Resolution No. 2001- 68**.

**COUNCIL REPORTS ON CITIZEN INQUIRIES AND CONCERNS.**

☞ Mayor/RDA Chairman Stettler:

- Cathedral City Firefighters and Police Officers are hosting two barbeques at two City Events: Festival del Cine on Nov. 3 and the City's 20<sup>th</sup> Birthday Celebration on Nov. 17 to assist the fallen New York firefighters and police officer's families.
- He and Mayor Pro Tem Pettis attended a press conference on the Festival of Festivals. It was warmly received. It was exciting. The Mayor urged the public to get their tickets early.

☞ Councilmember/RDA Boardmember De Rosa

- Congratulations to Firefighters Scott Keeran and Scott Wensel for their outstanding work recognized by residents.
- The Skateboard Park Committee has met three times. The next meeting is in October and will be coming to staff at the end of October with questions and recommendations to get the skateboard park started.
- Mr. Keefe, a resident - feels code enforcement is doing a great job.

**CC/RDA MINUTES  
SEPTEMBER 26, 2001  
PAGE 11**

- Mrs. Lasky, a resident - wants to get message out that graffiti and illegal dumping are not acceptable in our community.
- Mr. Kanovan, a resident - supports police and fire personnel and the great job they are doing. He is concerned about excess speeding on Vista Chino. Would like City Council to pay more attention to the northern part of the City.
- Mrs. Kirk, resident - questioned landscaping in front of City Hall and Pickfair (the empty lots) and hopes we can do something before the Festival of Festivals begins.

**ADJOURNMENT:**

There being no further business for discussion, this meeting was adjourned at 10:30 PM.

---

Donna M. Velotta  
City Clerk

**CITY COUNCIL  
CATHEDRAL CITY REDEVELOPMENT AGENCY**

**STAFF MEMORANDUM**

**TO:** City Council  
Redevelopment Agency Members

**FROM:** Administrative Services Director

**DATE:** October 10, 2001

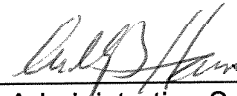
**SUBJECT: RECEIVE AND FILE PAYMENT OF CLAIMS AND DEMANDS**

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**Recommendation:** That the **City Council/Redevelopment Agency Board Members** receive and file payment of claims and demands in the aggregate sum of \$3,093,736.57 for the month of August, 2001.

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**I HEREBY CERTIFY** that in my judgment these demands were legally due and owing by the **City Council/Redevelopment Agency Board**; that funds were available for payment thereof, and in all other respects, the demands conform to the criteria set forth in Section 3.16.050 of the Cathedral City Municipal Code.



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Administrative Services Director

**NOTE:** The Demand Register is located in the back of the Agenda Book.

**CATHEDRAL CITY  
REDEVELOPMENT AGENCY and CITY COUNCIL  
AGENDA REPORT - JOINT PUBLIC HEARING**

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**SUBJECT:** Disposition of a vacant lot at 31575 Neuma Drive for affordable self-help housing.

**DEPARTMENT:** RDA/Housing  
**CONTACT PERSON:** Moeller / Bradshaw

**HEARING DATE:** Oct. 10, 2001  
**Deadline for Action:** NA

**APPROVED:**

  
Department

  
Exec.Dir./City Mngr.

  
Finance

---

**RECOMMENDATION:**

1. That the City Council adopt Resolution No. 2001-\_\_\_\_\_, consenting to the disposition of one vacant lot at 31575 Neuma Drive to Esteban and Maria Perezchica and their son, Juan, for construction of an affordable house;
2. That the Redevelopment Agency Board adopt Resolution No. R-\_\_\_\_\_, approving the disposition of a vacant lot at 31575 Neuma Drive to Esteban and Maria Perezchica and their son, Juan, for construction of an affordable house; .

**EXECUTIVE SUMMARY:**

This is a Joint Public Hearing of the Redevelopment Agency Board of Directors and the City Council of the City of Cathedral City, for the disposition of Agency-owned property under Sections 33431 and 33433 of the California Health & Safety Code. Notice has been published in the Desert Sun per Government Code.

On May 24, 2000, the Agency Board approved the purchase of the Perezchica home (a duplex at 68831 C Street which they share with their son). At that time the Agency Board was informed that the Perezchica's had requested to participate in our self-help affordable housing program by utilizing one of the Agency's affordable housing properties to construct a suitable dwelling for themselves, in lieu of waiting for relocation assistance. The Perezchica family has reviewed the single family lots that the Agency currently holds for affordable housing and has requested to construct their new home at 31575 Neuma Drive. This home will be a replacement house for their previous home on C Street which is scheduled for demolition.

**BACKGROUND:**

The Perezchica home was in very poor condition. Rather than to spend the money to renovate the home, the Perezchica's and their adult children decided that it would be better to construct a new home. Two of their children were in a position to assist their parents with the construction of a new home. Their son, Juan Perezchica, is well-established as a general contractor and developer of custom homes in Cathedral City. He will construct the new home for his parents and brother.

The Perezchica parents are both in their 80's. Their income is around \$15,000 per year for 3 persons (including a disabled adult son). They have been residents of Cathedral City for over 30 years and have raised their family here. They have a strong ties to the community and desire to stay in Cathedral City. They also have a particular concern that their son, Jesus, will have a secure home when they are no longer around.

#### **ANALYSIS:**

The Agency is obligated by law to assist the Perezchica family to acquire a new residence. The Agency is also obligated to replace any housing units that are removed from the housing stock within 4 years of their removal. By using the funds from the sale of their home, assistance from their children and this affordable housing site from the Agency's stock, the Perezchica household and the Redevelopment Agency will be able to both the relocation and replacement obligations. This solution will also provide the Perezchicas with new housing that is both affordable and suitable to their needs.

The Agency's assistance and participation in the development of this home, and the continued use of the home as an affordable single-family home over the next 30 years, will be secured by a silent second mortgage for the value of the vacant lot (\$20,000).

#### **FISCAL IMPACT:**

There is no additional cost to the Agency, beyond the \$7,566 that has already been invested in the acquisition and holding costs of this lot. This transfer is in lieu of housing replacement/relocation assistance that might have been needed or provided in the future. No additional relocation assistance is contemplated or requested.

#### **ATTACHMENT:**

Attachment A: Location diagram and description of lot ;

Attachment B: Public Hearing Summary Report of required information for disposition of property acquired by the Agency with tax increment funds under the California Health and Safety Code (Section 33433) .

Attachment C-1: Draft Resolution for Property Disposition by the City Council

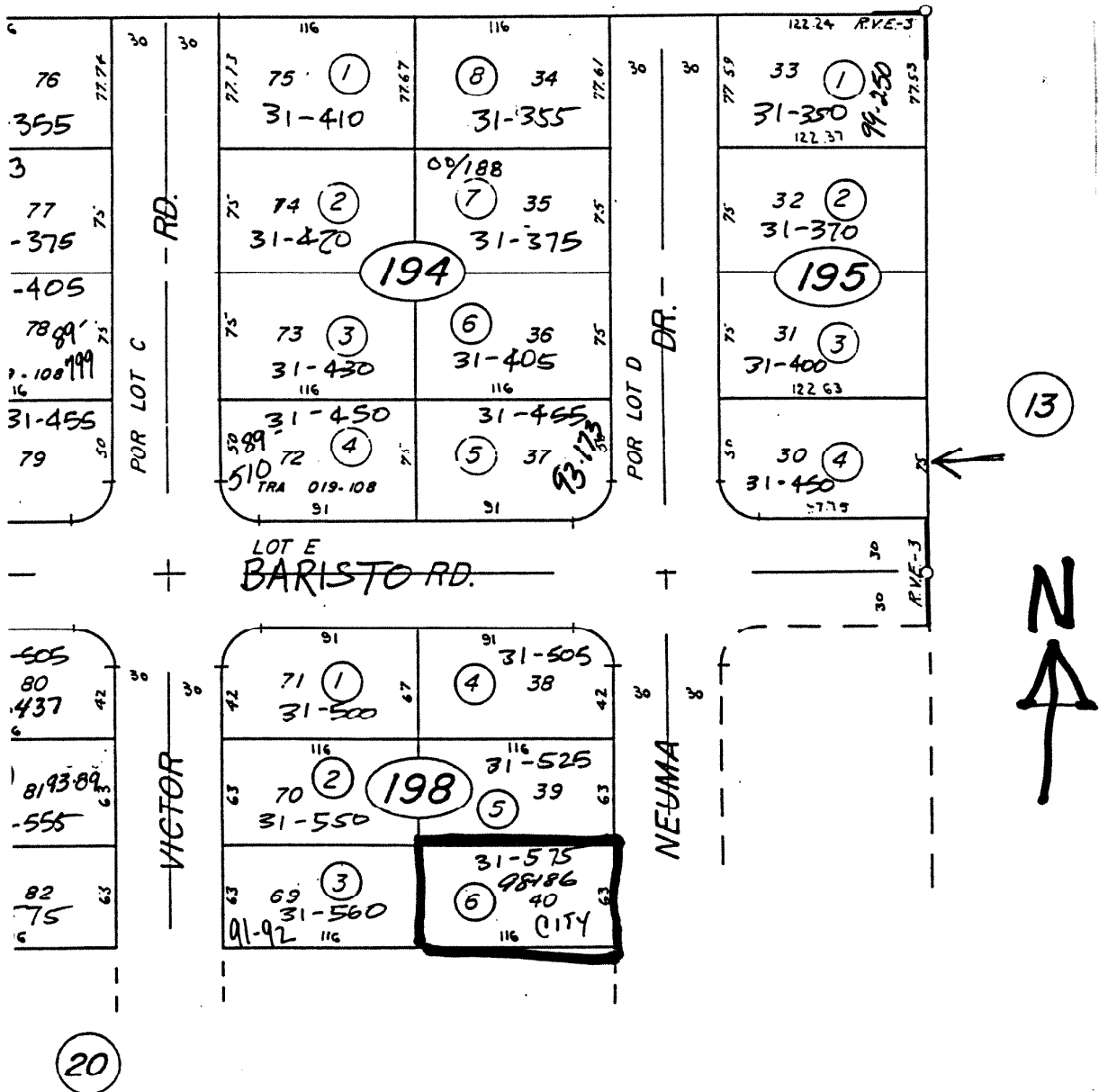
Attachment C-2: Draft Resolution for Property Disposition by the Agency Board

Attachment D: Draft Disposition and Development Agreement (DDA)

Attachment "A" :

**Location and description of the property to be conveyed:**  
APN: 670-198-006                      31575 Neuma Drive

Legal description: Lot 40 of Vista Estates No. 3, as shown by Map on file in Book 29, Pages 87-88, in the Office of the County Recorder of Riverside County.





Attachment "B" : Information required for Joint Public Hearing, October 10, 2001:

**SUMMARY REPORT**  
**Disposition of Property acquired with Tax Increment funds**  
(per Health & Safety Code Section 33433).

**Recipient:**

Esteban and Maria Perezchica, husband and wife, plus any children which they may wish to include on title.

Current address: 68784 C Street, Cathedral City, CA 92234

**Location and description of property in question:**

APN: 670-198-006                      31575 Neuma Drive

Lot 40 of Vista Estates No. 3, as shown by Map on file in Book 29, Pages 87-88, in the Office of the County Recorder of Riverside County.

**Cost of the Agreement to the Agency:**

**\$7,566 purchase price and holding costs of lot**

The Agency purchased the lot through the County Tax Collector in July of 1995.

**Estimated market value of property:                      \$20,000**

Based on recent comparisons of sales of vacant building sites in the general area at the time of July, 2001.

**Special conditions attached to the disposition:**

The property will be subject to a Disposition and Development Agreement (DDA) that will require the recipient to construct a single family home to be owner-occupied by the recipient (or heirs and assigns) with income not exceeding 120% of the Area Median Income (AMI) as determined annually by HUD. During the first 30 years the property will carry a silent second mortgage equal to the original market value of the building lot. This silent second mortgage will be forgiven at the completion of the 30-year affordability period. During the 30-year affordability period the home may be re-sold with the following restrictions:

1. The mortgage payments must be affordable to the purchasing family;
2. The purchasing family must have an initial income at the time of purchase that does not exceed 120% of the AMI;
3. The purchasing family must reside in the home as their primary residence;
4. The purchasing family must be informed of and agree to continue to comply with all of the conditions and covenants of the original silent second mortgage.

**Value of lot with special conditions attached to the usage of the lots:**

The long-term restrictive conditions and covenants (affordability, maintenance and re-sale restrictions) that are to be attached to the DDA for the disposition of the property reduce the market value of the property to zero or less-than-zero dollars.

**Sales price:**

The property will be transferred without the exchange of cash payment, with the recipient to be responsible for all costs of transfer of title. The consideration received by the Agency will be in the form of affordability restrictions upon the development and use of the property.

**Explanation of difference between sales price and estimated value:**

There is no difference between the value of the lot (with the affordability controls and special conditions attached to the DDA) and the sales price.

**Why the property disposition assists in the Elimination of Blight:**

The "Blighting Conditions" that are listed in the Redevelopment Implementation Plan for Project Areas #1 and #3 and the reasons that this disposition assists in the alleviation of those conditions are as follows:

1. Age, obsolescence, deterioration, dilapidation, mixed character or shifting of uses: The home will replace a downtown duplex constructed around 1940 that will be demolished by the Agency. This unit was around 60 years old and had not been sufficiently maintained over the past 20 years. It was subject of numerous code violations, building safety violations and was obsolete, deteriorated, dilapidated and not appropriate to the current character of the neighborhood.
2. A prevalence of depreciated values, impaired investments and social and economic maladjustment: The vacant in-fill lot upon which this replacement home is to be constructed has been a continuing blighting influence upon the neighborhood over the past 20 years.
3. An economic dislocation, deterioration or disuse resulting from faulty planning. In order to effect the revitalization of the downtown and lower cove area, the Agency needs to assemble multiple small lots that are not of appropriate size for current development standards.
4. Inadequate public improvements, public facilities, open spaces and utilities. The "in-fill" construction of this home on the vacant lot will have no impact on this issue.
5. The existence of lots or other areas which are subject to being submerged by water. This disposition has no effect on this blighting condition, but the new development will meet contemporary standards for hydrology, which is an improvement over previous development.
6. Affordable Housing. The Agency is required by law to expend 20% of its tax increment revenue on affordable housing. It is further required to replace any affordable housing units that have been removed by Agency actions (currently about 130 units) or which will be removed in the future. The Agency is also required to ensure that 15% of all housing constructed within the Redevelopment Project Area is affordable to very low, low, and moderate income families during the period of the Redevelopment Plan. This housing will meet those legal requirements.

**NOTICE OF PUBLIC HEARING  
7:30 P.M. October 10, 2001  
CATHEDRAL CITY COUNCIL CHAMBERS  
68-700 Avenida Lalo Guerrero  
CATHEDRAL CITY, CALIFORNIA**

**Joint Public Hearing of the Cathedral City Redevelopment Agency and City Council**  
for the disposition of real property acquired by the Agency with Tax Increment funds to  
Esteban Perezchica for the purpose of an affordable single family home. Property  
location: 31575 Neuma Drive, Cathedral City, CA.

Full details are available at the Office of Housing Assistance at the above address. Public  
comment is invited either at the public hearing or in writing.(per Government Code, Section  
6066).

{Must be published once per week for two consecutive weeks prior to Public Hearing.  
(Section 6066 of Government Code).}

*Published Sept. 26 & Oct 5*

RECORDING REQUESTED BY: )

REDEVELOPMENT AGENCY OF )

THE CITY OF CATHEDRAL CITY )

AND WHEN RECORDED RETURN TO:) )

Redevelopment Agency of the )

City of Cathedral City )

68-700 Avenida Lalo Guerrero )

Cathedral City, CA 92324 )

Attn: Redevelopment Director )

---

(Space Above for Recorder's Use)

**DISPOSITION AND DEVELOPMENT AGREEMENT**

Esteban Perezchica and Juan Perezchica

REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY

DISPOSITION AND DEVELOPMENT AGREEMENT

By and Between

REDEVELOPMENT AGENCY OF  
THE CITY OF CATHEDRAL CITY

and

ESTEBAN PEREZCHICA AND JUAN PEREZCHICA

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## **DISPOSITION AND DEVELOPMENT AGREEMENT**

THIS AGREEMENT is entered into by and between the Redevelopment Agency for the City of Cathedral City, a public body, corporate and politic (the "Agency"), and Esteban Perezchica and Juan Perezchica, Father and Son (jointly hereinafter referred to as "Developer"), and is dated as of \_\_\_\_\_, 2001. Esteban Perezchica and Juan Perezchica shall be jointly and severally liable for the obligations of Developer hereunder. The Agency and Developer agree as follows:

### ARTICLE I

#### SUBJECT OF AGREEMENT

##### Section 1.01. Purposes of Agreement.

The purpose of this Disposition and Development Agreement (the "Agreement") is to effectuate redevelopment within the boundaries of the City of Cathedral City (the "City") by providing for the purchase and redevelopment by Developer of certain real property generally located within the duly established Redevelopment Project Area of the City (the "Project Area"), and which property is more fully described in Exhibit "A" attached hereto and incorporated herein by reference (the "Property"). The purchase and redevelopment of the Property by Developer pursuant to this Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of the City, the Agency, and the health, safety, morals, and welfare of the City's residents, and is in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

##### Section 1.02. The Project Area.

The Redevelopment Plan for Project Area No. 3 was approved and adopted by the City Council of the City of Cathedral City by a duly adopted Ordinance, in accordance with the provisions of the Community Redevelopment Law of the State of California (the "Community Redevelopment Law"). This Agreement shall be subject to the provisions of the Community Redevelopment Law. The Agency represents and warrants that the uses and improvements to be constructed on the Property in accordance with the Scope of Development attached hereto as Exhibit "B" and incorporated herein by reference, which essentially consists of the construction of an owner occupied single family residence to remain affordable to a low and moderate income household (the "Project"), comply with the provisions of the Community Redevelopment Law.

##### Section 1.03. Nature of the Agency.

The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under Chapter 2 of the Community Redevelopment Law, Health and Safety Code Section 33000, et seq. As used in this Agreement, the term "Agency" shall be deemed to include the Agency and any assignee and/or successor to the Agency or to its rights, powers and responsibilities under this Agreement.

Section 1.04. Prohibition Against Change in Ownership; Assignment of Agreement.

The qualifications and identities of the persons and entities comprising Developer are of particular concern to the Agency. It is because of these qualifications and identities of Developer that the Agency has entered into this Agreement with Developer. No voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement, except upon written agreement of the Agency.

Except as otherwise provided in this Agreement, Developer shall not assign all or any part of this Agreement prior to the issuance of a Certificate of Completion applicable to the Property without the prior written approval of the Agency, which approval shall not be unreasonably withheld.

ARTICLE II

DISPOSITION OF PROPERTY

Section 2.01. Disposition of Property.

In order to facilitate the development of the Project the Agency shall transfer the Property under the terms of this Agreement, and the attachments hereto.

Section 2.02. Developer's Obligations.

Upon acquisition of the Property, Developer shall cause the construction and improvement of an owner occupied single family residence on the Property in order to provide low and moderate income housing.

Section 2.03. Agency Assistance

In order to assist in the development of the Project, the Agency shall provide the Property to Developer provided that Developer complies with the covenants, conditions and other provisions herein and causes restrictions to be imposed upon the Property for a minimum of thirty (30) years in accordance with Health and Safety Code Section 33334.3.

In consideration for the disposition of the Property, the Developer shall execute a silent second Deed of Trust in favor of the Agency in an amount equal to Twenty Thousand Dollars

(\$20,000) to ensure compliance with the provisions of this Agreement. Said Deed of Trust shall be in the form of Exhibit "F" attached hereto and incorporated herein by this reference.

Section 2.04.        Escrow.

a.        The Agency and Developer agree to establish an escrow for the disposition of the Property at Palm Desert Escrow, Inc. (the "Title Company"), 74-041 Highway 111, P.O. Box 879, Palm Desert, CA 92261 (Telephone No.: (760) 568-2782, Attention: Judi Rogers (the "Escrow Agent"). The escrow shall be opened within five (5) days after the execution of this Agreement.

b.        The Agency and Developer shall provide and execute such additional escrow instructions consistent with this Agreement as shall be necessary. The Escrow Agent hereby is empowered to act under this Agreement, and, upon indicating its acceptance of this Section in writing, delivered to the Agency and Developer, within five (5) calendar days after the establishment of the escrow, shall carry out its duties as the Escrow Agent hereunder.

c.        The Agency and Developer shall deliver to the Escrow Agent all documents necessary for the conveyance of title to the Property, to the extent provided in this Agreement, in conformity with, within the times, and in the manner provided in this Agreement.

d.        Developer shall pay all fees related to the transfer of the Property from the Agency to Developer, promptly after the Escrow Agent has notified Developer of the amount of such fees, charges and costs, but not earlier than three (3) days before the date for the conveyance of the Property.

e.        The Agency shall timely and properly execute, acknowledge and deliver to the Escrow Agent a grant deed conveying to Developer title to the Property in accordance with the requirements of this Agreement.

f.        With respect to the Property, the Escrow Agent shall cause a Preliminary Title Report to be prepared and issued by the Title Company and shall promptly provide the Agency and Developer with copies thereof. The Agency and Developer must approve the Preliminary Title Report in writing as a condition precedent to close of the escrow.

g.        All funds received in escrow shall be deposited by the Escrow Agent in an insured account with any state or national bank doing business in the State of California, and such funds may be combined with other escrow funds of the Escrow Agent. Such funds shall draw the highest reasonable rate of interest and such interest shall accrue to the party to this Agreement who shall have made the deposit thereof with the Escrow Agent.

Section 2.05.            Conveyance of Title and Delivery of Possession.

a.        Subject to the conditions set forth in Section 2.08 hereof and to any mutually agreed upon written extension of time or extensions otherwise authorized by this Agreement, conveyance to Developer of title to the Property shall be completed on or prior to sixty (60) days of the opening of escrow("Close of Escrow"). The Agency and Developer agree to perform all acts necessary for conveyance of title to the Property.

b.        Possession of the Property shall be delivered to Developer concurrently with the conveyance of title. Developer shall accept title and possession to the Property on the date established therefor in this Section.

Section 2.06.            Form of Deed.

The Agency shall convey to Developer title to the Property by a grant deed substantially in the form attached hereto as Exhibit "C".

Section 2.07.            Condition of Title.

The Title to the Property shall be a marketable title free and clear of encumbrances and exceptions, except for: (a) the agreements, covenants and conditions of this Agreement and the applicable Grant Deed, (b) such pre-existing easements or rights-of-way as may be disclosed by the Preliminary Title Report and approved by the Agency and Developer and (c) real property taxes for the fiscal year in which escrow closes which constitute a lien not yet payable.

Section 2.08.            Conditions for Close of Escrow.

The Agency's obligation to convey the Property to Developer and the Close of Escrow for the Property shall be expressly conditioned upon satisfaction or waiver by the Agency of each of the following:

a.        Developer shall have received all entitlements for the development of the Project as provided in Article III of this Agreement and the Scope of Development.

b.        Developer shall have received written verification that necessary funding for the development of the Property is available.

c.        Developer shall have executed a Deed of Trust in favor of the Agency in the amount of Twenty Thousand Dollars (\$20,000).

Section 2.09.            Time and Place for Delivery of Documents to Escrow.

Subject to any mutually agreed upon written extensions of time or any extensions otherwise authorized by this Agreement, the parties shall deposit with the Escrow Agent promptly at such time as such documents have been fully prepared and executed, but in no event later than ten (10) calendar days before the date established for the conveyance of the Property, any and all documents which are required in order for escrow to close in accordance with this Agreement. The grant deed conveying the Property from the Agency to Developer hereunder shall be prepared by the Agency, at the Agency's expense. The legal descriptions regarding the Property will be supplied by the Agency. All other documents required to be recorded in order to permit the Close of Escrow shall be prepared by Developer at its cost and expense.

Section 2.10.            Recordation of the Grant Deed(s) and other Documents.

When the parties have deposited into escrow all other documents as required by this Agreement and all conditions for the Close of Escrow have been satisfied, the Escrow Agent shall promptly file for recordation among the land records in the Office of the Riverside County Recorder: (i) the grant deed to the Property (ii) the Deed of Trust and (iii) this Agreement. The Escrow Agent shall thereafter promptly provide a copy of said recorded documents to both parties and shall promptly deliver to Developer a title insurance policy insuring title in conformity with this Agreement.

Section 2.11.            Taxes and Assessments.

Ad valorem taxes and assessments, if any, on the Property and taxes upon this Agreement or any rights hereunder levied, assessed or imposed as to any period prior to conveyance of title through the escrow, shall be borne by the Agency.

Section 2.12.            Zoning and Property Approvals.

The Agency represents and warrants that the City's general plan and zoning ordinance will permit the contemplated uses of the Property in accordance with this Agreement, subject to Developer obtaining any and all necessary permits required pursuant to the zoning ordinance. Developer shall apply for all necessary permits applicable to the Project.

Section 2.13.            Condition of the Property.

a.        The Property shall be conveyed in an "as is" condition with no warranty or liability, except as otherwise provided herein, express or implied on the part of the Agency as to the condition of the soil, its geology or the presence of known or unknown faults or defects.

b.        The Agency represents that to the best of its knowledge, the Property is free from any toxic substances or hazardous waste, provided, however that if such toxic substances or hazardous wastes are found to exist, the Agency shall not be held liable

therefor.

### ARTICLE III

#### DEVELOPMENT OF THE PROPERTY

##### Section 3.01. Development by Developer.

a. Scope of Development. It is the intent of the parties that the Property be developed in accordance and within the limitations established in the Scope of Development set forth in Exhibit "B" attached hereto and incorporated herein by reference to be occupied by low and moderate income individuals and households.

b. The City's zoning ordinance will be applicable to the use and development of the Property pursuant to this Agreement. No action by the Agency or the City with reference to this Agreement or related documents shall be deemed to constitute a waiver of any City requirements which are applicable to the Property or to Developer, any successor in interest of Developer or any successor in interest pertaining to the Property, except by modification or variance approved by the City consistent with this Agreement.

c. The Scope of Development set forth in Exhibit "B" is hereby approved by the Agency upon its execution of this Agreement. The Property shall be developed and completed in conformance with the approved Scope of Development.

d. The approval of the Scope of Development by the Agency hereunder shall not be binding upon the City Council or the Planning Commission of the City with respect to any approvals of the Project required by such other bodies.

e. Notwithstanding any provision to the contrary in this Agreement, Developer agrees to accept and comply fully with any and all reasonable conditions of approval applicable to all permits and other governmental actions affecting the Property and consistent with this Agreement.

f. Developer shall prepare and submit plans, drawings and related documents for the development of the Property consistent with the Scope of Development to the City.

g. The Agency shall in good faith use its best efforts to cause the City to approve in a timely fashion any and all plans, drawings and documents submitted by Developer hereunder and to cause the City not to impose new conditions inconsistent with: (a) prior plans, drawings and documents approved by the City or (b) the Scope of Development.

h. The costs of developing the Property and of constructing all improvements

thereon and adjacent thereto as set forth in the Scope of Development shall be borne by Developer.

i. Developer shall at its expense cause to be prepared, and shall pay any and all fees pertaining to the review and approval thereof by the City, all required construction, planning and other documents reasonably required by governmental bodies pertinent to the development of the Property hereunder including, but not limited to, specifications, drawings, plans, maps, permit applications, land use applications, zoning applications and design review documents.

j. Developer shall obtain any and all necessary approvals prior to the commencement of construction, and Developer shall take reasonable precautions to ensure the safety and stability of surrounding properties during said construction.

k. Developer shall begin and complete all construction and development and undertake all obligations and responsibilities of Developer within the times specified in the Schedule of Performance shown in Exhibit "D" attached hereto.

l. Prior to the commencement of any construction or rehabilitation of the Property, Developer shall furnish, or shall cause to be furnished, to the Agency duplicate originals or appropriate certificates of public indemnity and liability insurance in the amount of One Million Dollars (\$1,000,000.00) combined single limit, naming the Agency and the City as additional insureds. Said insurance shall cover comprehensive general liability including, but not limited to, contractual liability; acts of subcontractors; premises-operations; explosion, collapse and underground hazards, if applicable; broad form property damage, and personal injury including libel, slander and false arrest. In addition, Developer shall provide to the Agency adequate proof of comprehensive automobile liability insurance covering owned, non-owned and hired vehicles, combined single limit in the amount of One Million Dollars (\$1,000,000.00) each occurrence; and proof of workers' compensation insurance. Any and all insurance policies required hereunder shall be obtained from insurance companies admitted in the State of California and rated at least B+: XII in Best's Insurance Guide. All said insurance policies shall provide that they may not be canceled unless the Agency and the City receive written notice of cancellation at least thirty (30) calendar days prior to the effective date of cancellation. Any and all insurance obtained by Developer hereunder shall be primary to any and all insurance which the Agency and/or City may otherwise carry, including self insurance, which for all purposes of this Agreement shall be separate and apart from the requirements of this Agreement. Any insurance policies governing the Property as obtained by the Agency shall not be transferred from the Agency to Developer. Appropriate insurance means those insurance policies approved by the Agency Counsel consistent with the foregoing. Any and all insurance required hereunder shall be maintained and kept in force until the Agency has issued Certificates of Completion for the Property.

m. Developer for itself and its successors and assigns agrees that in the

construction of the improvements on the Property provided for in this Agreement, Developer will not discriminate against any employee or applicant for employment because of sex, marital status, race, color, religion, creed, national origin, or ancestry. Notwithstanding the foregoing, Developer will use best efforts to offer employment opportunities to local residents and will seek to acquire goods and services from local vendors.

n. Developer shall carry out its development and improvement of the Property and off the Property in conformity with all applicable laws, including all applicable federal and state labor standards and requirements including any prevailing wage or public bidding requirements.

o. Prior to the Close of Escrow for the Property, Developer shall, at its own expense, secure or shall cause to be secured, any and all permits which may be required for such construction, development or work by the City or any other governmental agency having jurisdiction thereof.

p. Officers, employees, agents or representatives of the Agency and the City shall have the right of reasonable access to the Property, without the payment of charges or fees, during normal construction hours during the period of construction of the Project for the purposes of this Agreement including, but not limited to, the inspection of the work being performed in performing the rehabilitation.

Section 3.02. Taxes, Assessments, Encumbrances and Liens.

Developer shall pay prior to the delinquency all real property taxes and assessments assessed and levied on or against the Property subsequent to the close of the escrow and the conveyance to Developer of title to the Property hereunder. Developer shall not place and shall not allow to be placed on the Property, any mortgage, trust deed, deed of trust, encumbrances or lien not otherwise authorized by this Agreement. Developer shall remove, or shall have removed, any levy or attachment made on any Property, or shall assure the satisfaction thereof, within a reasonable time but in any event prior to a sale of the Property, or any portion thereof, thereunder.

Section 3.03. Prohibition Against Transfer.

a. Prior to the recordation of the Certificate of Completion with respect to the Property as set forth in Section 3.05 of this Agreement, Developer shall not, without prior written approval of the Agency, or except as permitted by this Agreement, (i) assign or attempt to assign this Agreement or any right herein or (ii) make any total or partial sale, transfer, conveyance, lease, leaseback, or assignment of the Property or the improvements thereon.

b. In the absence of specific written agreement or approval by the Agency, no unauthorized sale, transfer, conveyance, lease, leaseback or assignment of the Property shall



be deemed to relieve Developer or any other party from any obligations under this Agreement.

Section 3.04. Right of the Agency to Satisfy Other Liens on the Property after Conveyance of Title.

After the conveyance of title to the Property by the Agency to Developer and prior to the recordation of the Certificate of Completion (referred to in Section 3.07 of this Agreement), and after Developer has had a reasonable time to challenge, cure or satisfy any unauthorized liens or encumbrances on the Property, the Agency shall after sixty (60) calendar days prior written notice to Developer have the right to satisfy any such liens or encumbrances; provided, however, that nothing in this Agreement shall require Developer to pay or make provisions for the payment of any tax, assessment, lien or charge so long as Developer in good faith shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the Property, or any portion thereof, to forfeiture or sale.

Section 3.05. Certificate of Completion.

Following the written request therefor by Developer and the completion of construction of the improvements on the Property, the Agency shall furnish Developer with a Certificate of Completion for the Property substantially in the form in Exhibit "E" attached hereto.

## ARTICLE IV

### USE OF THE SITE

Section 4.01. Uses.

a. Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof, that for a period of thirty (30) years commencing on the date of the issuance by City of the Certificate of Occupancy on the Property, the Property will be devoted to and available, at affordable housing cost, for persons or families with an income which does not exceed one hundred and twenty percent (120%) of the regional Median Income, as that term is defined by the U.S. Department of Housing and Urban Development ("HUD").

b. The Property will be occupied solely by the Developer and immediate family, or by the Developer's immediate heirs and/or permitted assigns. All heirs and/or permitted assigns shall be subject to the covenants set forth in the Grant Deed

c. During the 30 year period of this covenant, the title to the Property shall not be transferred to any third person, other than an heir of Developer, except on the following conditions:

1. The mortgage payments which the purchaser would have to pay to purchase the Property must be affordable, as that term is determined by HUD, to the purchaser.

2. The purchaser (or purchasing family) must have an initial income at the time of the purchase that does not exceed 120% of the Area Median Income, as determined by HUD.

3. The purchaser (or purchasing family) must reside in the home as his, her or their primary residence.

4. The purchaser must be informed of and agree to continue to comply with all of the conditions and covenants of the Grant Deed conveying title to the Developer.

The foregoing covenants shall be set forth in the grant deed and shall run with the land for thirty (30) years commencing on the date that the City issues the Certificate of Occupancy.

Section 4.02.            Maintenance of the Property.

Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property, or any part thereof, that Developer, such successors and such assigns shall maintain in good condition the improvements on the Property, shall keep the Property free from any accumulation of debris or waste material, subject to normal construction job-site conditions, and shall maintain in a neat, orderly, healthy and good condition the landscaping. In the event Developer, or its successors or assigns, fails to perform the maintenance as required herein, the Agency and/or the City shall have the right, but not the obligation, to enter the Property and undertake such maintenance activities. In such event, Developer shall reimburse the Agency and/or City for all reasonable sums incurred by it for such maintenance activities. Should Developer fail to pay said amount within 30 days of a written request for reimbursement, Agency may record a lien against the Property for said amount which lien may be foreclosed upon in the manner provided for in the non-judicial or judicial foreclosure of Deeds of Trust.

Section 4.03.            Obligation to Refrain from Discrimination.

Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, race, color, religion, creed, national origin, sexual or domestic arrangement, or ancestry in the sale, lease, transfer, use, occupancy, tenure or enjoyment of the Property; nor shall Developer, itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessee or vendees of the Property.

Section 4.04.

Form of Nondiscrimination and Nonsegregation Clauses.

Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property, or any part thereof, that Developer, such successors and such assigns shall refrain from restricting the sale, lease, sublease, rental, transfer, use, occupancy, tenure or enjoyment of the Property (or any part thereof) on the basis of sex, marital status, race, color, religion, creed, ancestry, national origin, sexual orientation or domestic arrangement, of any person. All deeds, leases or contracts pertaining thereto shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

a. In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, ancestry, national origin, sexual orientation or domestic arrangement, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessee, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

b. In leases: "The Lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, ancestry, national origin, sexual orientation or domestic arrangement, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants lessees, sublessee, subtenants, or vendees in the premises herein leased."

c. In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, ancestry, national origin, sexual orientation or domestic arrangement, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed or leased, nor shall the transferee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the premises herein transferred." The foregoing provision shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

Section 4.05.            Effect and Duration of Covenants.

The covenants established against discrimination shall remain in effect in perpetuity. The covenants respecting uses and occupancy of the Property shall remain in effect for a period of thirty (30) years from the date of filing of a Certificate of Occupancy, shall run with the land and shall constitute equitable servitudes thereon, and shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Agency, its successors and assigns and the City.

The Agency is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land for and in its own rights and for the purposes of protecting the interests of the community. The Agency shall have the right, if such covenants are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or such other proper proceedings to enforce the curing of such breaches to which it or any other beneficiary of such covenants may be entitled, including, without limitation, to specific performance, damages and injunctive relief. The Agency shall have the right to assign all of its rights and benefits hereunder to the City.

ARTICLE V

DEFAULTS, REMEDIES AND TERMINATION

Section 5.01.            Defaults - General.

a.        Subject to the extensions of time set forth in Section 6.04 hereof, failure or delay by either party to perform any term or provision of this Agreement shall constitute a default under this Agreement; provided, however, that if a party otherwise in default commences to cure, correct or remedy such default within thirty (30) calendar days after receipt of written notice specifying such default and shall diligently and continuously prosecute such cure, correction or remedy to completion (and where any time limits for the completion of such cure, correction or remedy are specifically set forth in this Agreement, then within said time limits), such party shall not be deemed to be in default hereunder.

b.        The injured party shall give written notice of default to the party in default, specifying the default complained of by the nondefaulting party. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

c.        Any failure or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Section 5.02.            Legal Actions.

a.        In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purposes of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Riverside, State of California, in any other appropriate court in that County, or in the Federal District Court in the Central District of California.

b.        The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

Section 5.03.            Rights and Remedies are Cumulative.

Except with respect to any rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

Section 5.04.            Reserved.

Section 5.05.            Reserved.

Section 5.06.            Rights and Remedies of Termination by the Agency.

Subject to written notice of default which shall specify Developer's default and the action required to cure same and upon thirty (30) calendar days notice to Developer of the Agency's intent to terminate this Agreement pursuant to this Section, the Agency at its option may terminate this Agreement if Developer in breach of this Agreement assigns or attempts to assign this Agreement, or any right therein, or attempts to make any total or partial sale, lease or leaseback, transfer or conveyance of the whole or any part of the Property or the improvements to be developed thereon in violation of the terms of this Agreement, or if Developer does not carry out its other responsibilities under this Agreement, and Developer does not correct such violation within thirty (30) calendar days from the date of receipt of such notice.

Section 5.07.            Right to Reenter, Repossess, Terminate and Revest.

a.        The Agency shall, upon thirty (30) calendar days notice to Developer which notice shall specify this Section, have the right, at its option, to re-enter and take possession of all or any portion of the Property, together with all improvements thereon, and to terminate and revest in the Agency the estate conveyed to Developer hereunder, if after conveyance of

title, Developer (or its successors in interest) shall:

1. Fail to commence construction of all or any portion of the improvements as required by this Agreement for a period of ninety (90) calendar days after written notice to proceed from the Agency; provided that Developer shall not have obtained an extension or postponement to which Developer may be entitled pursuant to Section 6.04 hereof; or

2. Abandon or substantially suspend construction of all or any portion of the improvements for a period of ninety (90) calendar days after written notice of such abandonment or suspension from the Agency; provided that Developer shall not have obtained an extension or postponement to which Developer may be entitled pursuant to Section 6.04 hereof; or

3. Assign or attempt to assign this Agreement, or any rights herein, or transfer, or suffer any involuntary transfer, of the Property or any part thereof, in violation of this Agreement, and such violation shall not have been cured within thirty (30) calendar days after the date of receipt of written notice thereof from the Agency to Developer.

b. The thirty (30) calendar day written notice specified in this Section shall specify that the Agency proposes to take action pursuant to this Section and shall specify which of Developer's obligations set forth in Subsections (1) through (3) herein have been breached. The Agency shall proceed with its remedy set forth herein only in the event that Developer continues in default of said obligation(s) for a period of thirty (30) calendar days following such notice or, upon commencing to cure such default, fails to diligently and continuously prosecute said cure to satisfactory conclusion.

c. The right of the Agency to reenter, repossess, terminate, and revest shall be subject and subordinate to, shall be limited by and shall not defeat, render invalid or limit:

1. Any mortgage, deed of trust or other security interest permitted by this Agreement;

2. Any rights or interests provided in this Agreement for the protection of the holders of such mortgages, deeds of trust or other security interests;

3. Any leases, declarations of covenants, conditions and restrictions, easement agreements or other recorded documents applicable to the Property.

d. Subject to the provisions of this Agreement, the grant deed to the Property conveyed by Developer to another party shall contain appropriate references and provisions to give effect to the Agency's right, as set forth in this Section under specified circumstances prior to the recordation of the Certificate of Completion, to reenter and take possession of the Property, or any part thereof, with all improvements thereon, and to terminate and revest in the

Agency the estate conveyed to Developer.

e. Upon the revesting in the Agency of title to the Property, as provided in this Section, the Agency shall, pursuant to its responsibilities under State law, use its best efforts to resell the Property at fair market value as soon and in such manner as the Agency shall find feasible and consistent with the objectives of such law, to a qualified and responsible party or parties (as determined by the Agency) who will assume the obligations of making or completing the improvements, or such other improvements in their stead as shall be satisfactory to the Agency and in accordance with the uses specified for the Property, or any part thereof. Upon such resale of a Property, or any part thereof, the proceeds thereof shall be applied:

1. First, to make any payment made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations incurred with respect to the making or completion of the improvements or any part thereof on the Property, or part thereof; next to reimburse the Agency on its own behalf or on behalf of the City for all actual costs and expenses incurred by the Agency and the City, including but not limited to customary and reasonable fees or salaries to third party personnel engaged in such action (but excluding the Agency's or the City's general overhead expense), in connection with the recapture, management and resale of the Property or part thereof; all taxes, assessments and water and sewer charges paid by the City and/or the Agency with respect to the Property or part thereof; any amounts otherwise owing to the Agency by Developer and its successor transferee; and

2. Second, to the extent that any and all funds which are proceeds from such resale are thereafter available, to reimburse Developer, or its successor transferee, up to the amount equal to the costs incurred for the development of the Property, or applicable part thereof, or for the construction of the improvements thereon including, but not limited to, costs of carry, taxes and items set forth in Developer's cost statement which shall be submitted to and approved by the Agency.

3. Any balance remaining after the foregoing application of proceeds shall be retained by the Agency.

## ARTICLE VI

### GENERAL PROVISIONS

#### Section 6.01. Notices, Demands and Communications Between the Parties.

Any and all notices, demands or communications submitted by any party to another party pursuant to or as required by this Agreement shall be proper if in writing and dispatched

by messenger for immediate personal delivery, or by registered or certified United States mail, postage prepaid, return receipt requested, to:

(if to Developer)  
(Prior to June 15, 2002)

Esteban Perezchica  
68385 Verano Rd.  
Cathedral City, CA 92234  
Tel: (760) 328-9398

(After June 15, 2002)

Esteban Perezchica  
31-575 Neuma Drive  
Cathedral City, CA 92234

(if to the Agency)

Redevelopment Agency  
of the City of Cathedral City  
68-700 Avenida Lalo Guerrero  
Cathedral City, CA 92234  
Attn: Executive Director

(with a copy to)

Green, de Bortnowsky & Quintanilla  
23801 Calabasas Rd., Suite 1015  
Calabasas, CA 91302  
Attention: Charles R. Green  
Agency Counsel

Section 6.02. Conflict of Interest.

No member, official or employee of the Agency having any conflict of interest, direct or indirect, related to this Agreement and the development of the Property shall participate in any decision relating to the Agreement. The parties represent and warrant that they do not have knowledge of any such conflict of interest.

Section 6.03. Nonliability of Agency Officials and Employees.

No member, official or employee of the Agency shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to Developer or to its successor, or on any obligations under the terms of this Agreement, except for gross negligence or willful acts of such member, officer or employee.

Section 6.04. Enforced Delay: Extension of Time of Performance.

In addition to specific provisions of this Agreement, performance by either party



hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of public enemy; epidemics; quarantine restrictions; freight embargoes or lack of transportation; weather-caused delays; inability to secure necessary labor, materials or tools; delays of any contractors, subcontractor or supplier; acts of the other party other than as permitted or required by the terms of this Agreement; acts or failure to act of any public or governmental agency or entity other than as permitted or required by the terms of this Agreement or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. Any extension of time for any such cause hereunder shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) calendar days of the commencement of the cause. Times of performance under this Agreement may also be extended by mutual agreement in writing by and between the Agency and Developer.

Section 6.05.            Inspection of Books and Records.

The Agency shall have the right at all reasonable times at the Agency's cost and expense to inspect the books and records of Developer pertaining to any Property and/or the rehabilitation thereof as necessary for the Agency, in its reasonable discretion, to enforce its rights and obligations under this Agreement. Matters discovered by the Agency shall not be disclosed to third parties unless required by law or unless otherwise resulting from or related to the pursuit of any remedies or the assertion of any rights of the Agency hereunder. Developer shall also have the right at all reasonable times to inspect the books and records of the Agency pertaining to the Property and/or the development thereof as pertinent to the purposes of this Agreement.

Section 6.06.            Approvals.

a.       Approvals required of the Agency or Developer or any officers, agents or employees of either the Agency or Developer, shall not be unreasonably withheld and approval or disapproval shall be given within the time set forth in the Schedule of Performance or, if no time is given, within a reasonable time.

b.       The Executive Director of the Agency is authorized to sign on his own authority amendments to this Agreement which are of routine or technical nature, including minor adjustments to the Schedule of Performance.

Section 6.07.            Real Estate Commissions.

The Agency shall not be liable for any other real estate commissions, brokerage fees or finder fees which may arise from or related to this Agreement.

Section 6.08.            Indemnification.

Developer agrees to indemnify and hold the City and the Agency, and their officers, employees and agents, harmless from and against all damages, judgments, costs, expenses and fees arising from or related to any act or omission of Developer in performing its obligations hereunder. The Agency agrees to indemnify and hold Developer and its officers, employees and agents, harmless from and against all damages, judgments, costs, expenses and fees arising from or related to any act or omission of the Agency in performing its obligations hereunder.

Section 6.09.            Release of Developer from Liability.

Notwithstanding any provision herein to the contrary, Developer shall be relieved of any and all liability for the obligations of Developer hereunder with regard to a Property when a Certificate of Completion has been issued by the Agency hereunder, other than any covenants and obligations provided by the grant deed by which the Property is conveyed to Developer hereunder.

Section 6.10.            Attorneys' Fees.

If either party hereto files any action or brings any action or proceeding against the other arising out of this Agreement, seeks the resolution of disputes pursuant to Section 6.11 hereof, or is made a party to any action or proceeding brought by the Escrow Agent, then as between Developer and the Agency, the prevailing party shall be entitled to recover as an element of its costs of suit or resolution of disputes pursuant to Section 6.11 hereof, and not as damages, its reasonable attorneys' fees as fixed by the Court or other forum for resolution of disputes as set forth in Section 6.11 hereof, in such action or proceeding or in a separate action or proceeding brought to recover such attorneys' fees.

Section 6.11.            Effect.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

Section 6.12.            Execution and Recordation.

Developer and the Agency agree to permit recordation of this Agreement or any portion thereof against the Property in the Office of the County Recorder for the County where the Property is located.

## ARTICLE VII

### ENTIRE AGREEMENT, WAIVERS AND AMENDMENT

#### Section 7.01.       Entire Agreement.

a.       This Agreement shall be executed in four (4) duplicate originals each of which is deemed to be an original.

b.       This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the Property and the development thereof.

c.       None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with the grant deed conveying title to the Property, and this Agreement shall continue in full force and effect before and after such conveyance until issuance of the Certificate of Completion for the Property.

d.       All waivers of the provisions of this Agreement and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and Developer.

[END OF THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement  
as of the date first set forth above.

REDEVELOPMENT AGENCY OF  
THE CITY OF CATHEDRAL CITY, a public body  
corporate and politic

By: \_\_\_\_\_  
Executive Director

(SEAL)

By: \_\_\_\_\_  
Secretary

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Susan F. Moeller  
Redevelopment Director

APPROVED AS TO FORM:

\_\_\_\_\_  
Green, de Bortnowsky & Quintanilla, LLP  
Agency Counsel

By: \_\_\_\_\_  
ESTEBAN PEREZCHICA

By: \_\_\_\_\_  
JUAN PEREZCHICA

(All Signatures Must Be Notarized)

P:\APPS\WPDATA\CATH\0010-4\DOC\001.WPD  
9\21\01 law

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California )  
 ) ss.  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

\_\_\_\_\_  
Name(s) of Signer(s)

- ☐ personally known to me  
☐ provided to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

\_\_\_\_\_  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

### Description of Attached Document

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

### Capacity(ies) Claimed by Signer

Signer's Name: \_\_\_\_\_

- ☐ Individual  
☐ Corporate Officer - Title(s): \_\_\_\_\_  
☐ Partner - ☐ Limited ☐ General  
☐ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_

Right Thumbprint of Signer

Signer is Representing: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

)  
) ss.  
)

County of \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_,  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

\_\_\_\_\_  
Name(s) of Signer(s)

- ☐ personally known to me  
☐ provided to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

\_\_\_\_\_  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

Signer's Name: \_\_\_\_\_

- ☐ Individual  
☐ Corporate Officer - Title(s): \_\_\_\_\_  
☐ Partner - ☐ Limited ☐ General  
☐ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_

Right Thumbprint of Signer

Signer is Representing: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

)

County of \_\_\_\_\_ ) ss.  
 )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

\_\_\_\_\_  
Name(s) of Signer(s)

- ☐ personally known to me  
☐ provided to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

\_\_\_\_\_  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_  
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

Signer's Name: \_\_\_\_\_  
☐ Individual  
☐ Corporate Officer - Title(s): \_\_\_\_\_  
☐ Partner - ☐ Limited ☐ General  
☐ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_

Right Thumbprint of Signer

Signer is Representing: \_\_\_\_\_

EXHIBIT "A"



## LEGAL DESCRIPTION

Location and description of property to be transferred to Esteban Perezchica and Juan Perezchica:

Address:

Legal description:

Assessor's Parcel Number:

## EXHIBIT "B"

### SCOPE OF DEVELOPMENT

The Property must be developed in accordance with this Agreement, but subject to the requirements of the Zoning ordinance of the City and any variances or modifications therefrom as approved by the City.

Developer shall cause the development of the Property in accordance with the Schedule of Performance (Exhibit "D") and this Agreement as follows:

The Property will be improved as follows:

The Property shall be developed as a single family residence with at least three bedrooms and two bathrooms for use as affordable housing for low and moderate income individuals or households.

Developer shall also complete all necessary landscaping for the Property. Developer shall also be responsible for all items which may be improved as Conditions of Approval in connection with any subdivision maps pertaining to the Property.

EXHIBIT "C"

GRANT DEED

Recording Requested by:

REDEVELOPMENT AGENCY OF THE  
CITY OF CATHEDRAL CITY

After Recordation, Mail to:

Redevelopment Agency of the City of Cathedral City  
68-700 Avenida Lalo Guerrero  
Cathedral City, CA 92324  
Attn: Redevelopment Director

Mail Tax Statements to:

Esteban Perezchica  
31-575 Neuma Drive  
Cathedral City, CA 92234

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

THE REDEVELOPMENT AGENCY FOR THE CITY OF CATHEDRAL CITY, a public body, corporate and politic, of the State of California (the "Grantor"), pursuant to and in accordance with the Community Redevelopment Law of the State of California, hereby grants to Esteban Perezchica and Juan Perezchica, as tenants in common (the "Grantee"), the real property (the "Property") legally described in the document attached hereto, labeled Exhibit A, and incorporated herein by this reference.

1. The Property is conveyed subject to the Disposition and Development Agreement entered into between the Grantor and the Grantee, dated \_\_\_\_\_, 2001 (herein referred to as the "Agreement").

2. The Grantee covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through them, that the Property, and any portion thereof, shall be devoted to housing for persons or families with low to moderate incomes, as that term is defined by the U.S. Department of Housing and Urban Development (HUD), with costs to be at an affordable housing cost (as such term is defined in Health and Safety Code Section 50052.5). The Property will be occupied solely by the Grantee and immediate family,

or by the Grantee's immediate heirs and/or permitted assigns. All heirs and/or permitted assigns shall be subject to the covenants set forth in this Grant Deed. During the 30 year period of this covenant, the title to the Property shall not be transferred to any third person, other than an heir of Grantee, except on the following conditions:

a. The mortgage payments which the purchaser would have to pay to purchase the Property must be affordable, as that term is determined by HUD, to the purchaser.

b. The purchaser (or purchasing family) must have an initial income at the time of the purchase that does not exceed 120% of the Area Median Income, as determined by HUD.

c. The purchaser (or purchasing family) must reside in the home as his, her or their primary residence.

d. The purchaser must be informed of and agree to continue to comply with all of the conditions and covenants of the Grant Deed conveying title to the Grantee.

3. The Grantee covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, age, marital status, national origin, ancestry, sexual orientation or domestic arrangement, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property.

All deeds, leases or contracts made relative to the Property, discrimination clauses:

a. In deeds: "The grantee herein covenants by and for himself, his heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, age, marital status, national origin, ancestry, sexual orientation or domestic arrangement, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee, himself, or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

b. In leases: "The lessee herein covenants by and for himself, his heirs, executors, administrators and assigns, and all persons claiming under or through him, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, age, marital status, national origin, ancestry, sexual orientation or domestic arrangement, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall the lessee himself, or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, lessees, subtenants, sublessees or vendees in the land herein leased."

c. In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, age, marital status, national origin, ancestry, sexual orientation or domestic arrangement, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself, or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land."

No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument permitted by the Agreement; provided, however, that any successor of Grantee to the Property shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

4. The covenant contained in Paragraph 2 of this Grant Deed shall remain in effect for a period of thirty (30) years from the date of the issuance of the initial Certificate of Occupancy for the Property. The covenants against discrimination set forth in Paragraph 3 of this Grant Deed shall remain in effect in perpetuity.

5. The covenants contained in this Grant Deed shall be binding for the benefit of the Grantor and its successors and assigns, and such covenants shall run in favor of the Grantor for the entire period during which such covenants shall be in full force and effect, without regard to whether the Grantor is or remains an owner of any land or interest herein to which such covenants relate. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach as provided in the Agreement or by law. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor and its successor.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized, this \_\_\_\_ day of \_\_\_\_\_, 2001.

Grantor:

REDEVELOPMENT AGENCY OF THE CITY OF  
CATHEDRAL CITY

By: \_\_\_\_\_  
Executive Director

By: \_\_\_\_\_  
Secretary

APPROVED AS TO FORM:  
Green, de Bortnowsky & Quintanilla, LLP

By: \_\_\_\_\_  
Counsel for Grantor

Exhibit "A" to Grant Deed

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California )  
County of \_\_\_\_\_ ) ss.  
)

On \_\_\_\_\_, before me, \_\_\_\_\_,  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

\_\_\_\_\_  
Name(s) of Signer(s)

- ☐ personally known to me  
☐ provided to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

\_\_\_\_\_  
Signature of Notary Public

### OPTIONAL

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

#### Description of Attached Document

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

#### Capacity(ies) Claimed by Signer

Signer's Name: \_\_\_\_\_

Right Thumbprint of Signer

- ☐ Individual  
☐ Corporate Officer - Title(s): \_\_\_\_\_  
☐ Partner - ☐ Limited ☐ General  
☐ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_



Beneficiary (the "Agreement"). Specifically, and without limitation, this Deed of Trust shall secure Trustor's compliance with the covenants contained in Paragraphs 2 and 3 of the Grant Deed by which title to the Property was conveyed to Trustor from Beneficiary (the "Covenants") including, without limitation, the obligation to devote the Property to housing for low to moderate-income persons or families. If the Trustor fails to comply with the Covenants, Beneficiary may foreclose upon this Deed of Trust, and the Trustor agrees that the dollar value of those Covenants for the purposes of this Deed of Trust is Twenty Thousand Dollars (\$20,000).

A. To protect the security of this Deed of Trust, Trustor agrees:

i. To maintain the property in good condition and repair; not to remove or demolish any building or improvement thereon; to complete promptly in a workmanlike manner any improvement hereafter constructed thereon and to restore promptly in a workmanlike manner any improvement thereon that is damaged or destroyed, and to pay when due all costs incurred therefor or in connection therewith; to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property; not to commit or permit any waste thereof or any act upon the property in violation of law or of covenants, conditions or restrictions affecting the property.

ii. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and also, if at any time Beneficiary or Trustee is a party to or appears in any such action or proceeding, or in any action or proceeding to enforce any obligation hereby secured, to pay all costs and expenses paid or incurred by them or either of them in connection therewith, including, but not limited to, cost of evidence of title and attorneys' fees in a reasonable sum.

iii. To pay (a) at least ten (10) days before delinquency, all taxes and assessments affecting the property, all assessment upon water company stock, and all rents, assessments and charges for water appurtenant to or used in connection with the property; (b) when due, all encumbrances, charges and liens, with interest, on the property or any part thereof, which appear to be prior or superior hereto; and (c) all costs, fees and expenses of this trust. Nothing contained herein however shall bar Trustor from contesting any charges or assessments.

iv. If Trustor fails to make any payment or to do any act as herein provided, then Beneficiary or Trustee (but without obligation to do so, and with or without notice to or demand upon Trustor, and without releasing Trustor from any obligation hereof) may (a) make or do the same in such manner and to such extent as either deems necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the property for such purpose; (b) appear in or commence any action or proceeding purporting to affect the security hereof or the rights or powers of

**WHEREAS**, Juan Perezchica (the Developer) is a well-respected and experienced developer of single family homes in Cathedral City and desires to build an affordable replacement home for his parents, Esteban and Maria Perezchica; and

**WHEREAS**, Juan Perezchica and the Perezchica family have sufficient financial capacity and technical expertise to construct a single family home which meets all City codes and building requirements; and

**WHEREAS**, a "Disposition and Development Agreement" (DDA) has been created and will be recorded against the Parcel which will restrict the usage, maintenance and disposition for a minimum of 30 years under a "Covenant Running with the Land" and a Silent Second mortgage; and

**WHEREAS**, the Agency and the City Council have prepared, reviewed and considered a Summary Report setting forth the cost of the proposed disposition by the Agency, the estimated value of the interest to be conveyed determined at the highest use permitted under the Redevelopment Plan, the estimated value of the interest to be conveyed determined at the use and with the conditions, covenants, and development costs required by the proposed assistance, the purchase price for the Property and an explanation of why the disposition of the Parcel will assist in the elimination of blight, and has made said summary available for public inspection in accordance with Community Redevelopment Law; and

**WHEREAS**, the Summary Report has been considered by Agency and City staff and consultants, and the staff and consultants have satisfied the Agency and the City that the development of the Parcel in accordance with the proposed assistance is feasible; and

**WHEREAS**, the City Planning Department has advised Agency staff that the location, purpose and extent of the proposed disposition of the Parcel is in conformity with the adopted General Plan of the City; and

**WHEREAS**, as the agency responsible for carrying out the Redevelopment Plans, the Agency has determined that no environmental review of the Project is necessary because the Project is subject to a statutory exemption from the requirements of the California Environmental Quality Act (Public Resources Code § 21000 et seq.).

**WHEREAS**, pursuant to the provisions of the Community Redevelopment Law, the City Council and the Agency have, on March 14, 2001, held a duly noticed public hearing on the proposed conveyance of the Parcel; and

**WHEREAS**, the City and the Agency have duly considered the proposed conveyance to the Developer and believe that such assistance is in the best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purpose and provisions of applicable State and local law and requirements; and

**WHEREAS**, the Agency has determined that the affordable housing to be created by the Developer will provide 1 replacement home (with 3 or 4 bedrooms) that will be affordable to a very low, low or moderate income family and will qualify toward meeting the Agency's inclusionary affordable housing requirement as determined by Assembly Bill 315 (AB 315) or as replacement housing under the adopted Affordable Housing Replacement Plan; and

**WHEREAS**, the DDA, and the development to be undertaken in connection therewith, will be consistent with the Agency's Implementation Plan; and

**WHEREAS**, the consideration for the Parcel is not less than the fair market value at its highest and best use, subject to the conditions required under the DDA and in accordance with the Redevelopment Plan; and

**WHEREAS**, based upon the evidence and testimony submitted to the City Council and the Agency Board, it is reasonable and appropriate to approve the proposed disposition and development of the parcel.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Cathedral City as follows:

**SECTION 1.** The City Council finds and determines that the joint public hearing held on October 10, 2001, and the documentation and testimony provided at that public hearing meets all requirements of Sections 33431 and 33433 of the California Health and Safety Code.

**SECTION 2.** The City Council finds and determines that the conveyance of the Parcel (as described in Attachment A) to Esteban Perezchica and Juan Perezchica will provide affordable housing for low and very low income households, is consistent with the Agency's Implementation Plan and Affordable Housing Replacement Plan and that, due to the public purposes served thereby, the conveyance may occur without public bidding.

**SECTION 3.** The City Council hereby finds and determines that the consideration to be given by the Developer for the Parcel is not less than the fair reuse value of the Parcel at the use and with the covenants and conditions and development costs required by the conveyance.

**SECTION 4.** The City Council finds and determines that usage of the Parcel for an affordable single-family home is consistent with the Redevelopment Plan and the City's General Plan.

**SECTION 5.** The City Council finds and determines that the development of this parcel will provide affordable inclusionary housing or replacement housing under the Implementation Plan or the Housing Replacement Plan.

**SECTION 6.** The conveyance of the Parcel by the Agency to Esteban Perezchica under a Disposition and Development Agreement (DDA) and Covenants which establish the terms and conditions for the development and use of the Parcel, is hereby approved.

**SECTION 7.** The Executive Director is hereby authorized to make changes to the DDA or Covenants after the review and approval of Agency Counsel, which changes will not materially affect the rights and obligations of the Agency pursuant to the disposition.

**SECTION 8.** This Resolution shall take effect upon its adoption.

**SECTION 9.** The City Clerk shall certify as to the adoption of this resolution and shall cause the same to be processed in the manner required by law.

**APPROVED AND ADOPTED** by the City Council of the City of Cathedral City  
this 10 th day of October, 2001.

\_\_\_\_\_  
MAYOR

**ATTEST:**

**APPROVED AS TO CONTENT**

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
DEPARTMENT HEAD

**APPROVED AS TO FORM:**

**APPROVED:**

\_\_\_\_\_  
CITY ATTORNEY

\_\_\_\_\_  
CITY MANAGER

RESOLUTION NO. R-\_\_\_\_\_

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, APPROVING THE DISPOSITION OF ONE VACANT LOT TO ESTEBAN PEREZCHICA AND JUAN PEREZCHICA FOR THE DEVELOPMENT OF AN AFFORDABLE SINGLE-FAMILY HOME.

**WHEREAS**, the Redevelopment Agency of the City of Cathedral City, (the “Agency”) is a redevelopment agency, duly created and activated pursuant to the provisions of Section 33000 et seq. of the Health and Safety Code of the State of California by a duly adopted Ordinance of the City of Cathedral City; and

**WHEREAS**, the City Council of the City of Cathedral City, California (the City Council) along with the Agency have caused the adoption of redevelopment plans (the “Plans”) for each of the three Redevelopment Project Areas (the “Project Areas”); and

**WHEREAS**, the Agency is engaged in activities necessary to effectuate the Plans by providing for the acquisition and disposition of certain real property located within the boundaries of the Project Areas; and

**WHEREAS**, the Plans provide that the Agency shall use moneys from its Affordable Housing Set Aside Funds for the purposes of replacing housing units that are destroyed due to redevelopment activities or increasing and improving the community’s supply of low- and moderate-income housing; and

**WHEREAS**, Section 33413 (b)(2)(A)(I) of the California Health and Safety Code (Community Redevelopment Law) requires that 15% of all housing constructed within the Project Area must be guaranteed affordable to low and moderate income residents; and

**WHEREAS**, pursuant to the Community Redevelopment Law, the Agency has adopted an Implementation Plan for each of the three Project Areas (the “Implementation Plans”) setting forth Agency’s low- and moderate-income housing program; and

**WHEREAS**, the Agency owns a developable building lot within project area #3 (fully described in Attachment “A” ) which was acquired for the purpose of building an affordable, owner-occupied single-family home; and

**WHEREAS**, Juan Perezchica (the Developer) is a well-respected and experienced developer of single family homes in Cathedral City and desires to build an affordable replacement home for his parents, Esteban and Maria Perezchica; and

**WHEREAS**, the Juan Perezchica and the Perezchica family have sufficient financial capacity and technical expertise to construct a single family home which meets all City codes and building requirements; and

**WHEREAS**, a "Disposition and Development Agreement" (DDA) has been created and will be recorded against the Parcel which will restrict the usage, maintenance and disposition for a minimum of 30 years under a "Covenant Running with the Land" and a Silent Second mortgage; and

**WHEREAS**, the Agency and the City Council have prepared, reviewed and considered a Summary Report setting forth the cost of the proposed disposition by the Agency, the estimated value of the interests to be conveyed determined at the highest use permitted under the Redevelopment Plan, the estimated value of the interests to be conveyed determined at the use and with the conditions, covenants, and development costs required by the proposed assistance, the purchase price for the Property and an explanation of why the disposition of the Parcel will assist in the elimination of blight, and has made said summary available for public inspection in accordance with Community Redevelopment Law; and

**WHEREAS**, the Summary Report has been considered by Agency and City staff and consultants, and the staff and consultants have satisfied the Agency and the City that the development of the Parcels in accordance with the proposed assistance is feasible; and

**WHEREAS**, the City Planning Department has advised Agency staff that the location, purpose and extent of the proposed disposition and development of the Parcel is in conformity with the adopted General Plan of the City; and

**WHEREAS**, as the agency responsible for carrying out the Redevelopment Plans, the Agency has determined that no environmental review of the Project is necessary because the Project is subject to a statutory exemption from the requirements of the California Environmental Quality Act (Public Resources Code § 21000 et seq.).

**WHEREAS**, pursuant to the provisions of the Community Redevelopment Law, the City Council and the Agency have, on October 10, 2001, held a duly noticed public hearing on the proposed conveyance of the Parcel; and

**WHEREAS**, the City and the Agency have duly considered the proposed conveyance to the Developer and believe that such assistance is in the best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purpose and provisions of applicable State and local law and requirements; and

**WHEREAS**, the Agency has determined that the affordable housing to be created by the Developer will provide 1 home (with 3 or 4 bedrooms) that are affordable to very low, low or moderate income families and will qualify toward meeting the Agency's inclusionary affordable housing requirement as determined by Assembly Bill 315 (AB 315) or as replacement housing under the adopted Affordable Housing Replacement Plan; and

**WHEREAS**, the DDA, and the development to be undertaken in connection therewith, will be consistent with the Agency's Implementation Plan; and

**WHEREAS**, the consideration for the Parcel is not less than the fair market value at its highest and best use, subject to the conditions required under the DDA and in accordance with the Redevelopment Plan; and

**WHEREAS**, based upon the evidence and testimony submitted to the City Council and the Agency Board, it is reasonable and appropriate to approve the proposed disposition and development of the parcel.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Redevelopment Agency of the City of Cathedral City as follows:

**SECTION 1.** The Agency finds and determines that the joint public hearing held on October 10, 2001, and the documentation and testimony provided at that public hearing meets all requirements of Sections 33431 and 33433 of the California Health and Safety Code.

**SECTION 2.** The Agency finds and determines that the conveyance of the Parcel (as described in Attachment A) to Esteban Perezchica and Juan Perezchica will provide affordable housing for low and very low income households, is consistent with the Agency's Implementation Plan and Affordable Housing Replacement Plan and that, due to the public purposes served thereby, the conveyance may occur without public bidding.

**SECTION 3.** The Agency hereby finds and determines that the consideration to be given by the Developer for the Parcel is not less than the fair re-use value of the Parcel at the use and with the covenants and conditions and development costs required by the conveyance.

**SECTION 4.** The Agency finds and determines that usage of the Parcel for an affordable, owner-occupied single family home is consistent with the Redevelopment Plan and the City's General Plan.

**SECTION 5.** The Agency finds and determines that the development of this parcel will provide affordable inclusionary housing or replacement housing under the Implementation Plan or affordable replacement housing under the Housing Replacement Plan.

**SECTION 6.** The conveyance of the Parcel by the Agency to Esteban Perezchica and Juan Perezchica under a Disposition and Development Agreement (DDA) and Covenants which establish the terms and conditions for the development and use of the Parcel, is hereby approved.

**SECTION 7.** The Executive Director is hereby authorized to execute a DDA with CVHC, after the review and approval of Agency Counsel, and to record the Covenants in the official records of Riverside County.

**SECTION 8.** The Executive Director is hereby authorized to execute a grant deed as required to convey the parcel to Esteban Perezchica and Juan Perezchica.

**SECTION 9.** The Executive Director is hereby further authorized to make changes in the proposed DDA and Covenants after their execution, to impose restrictions on the use and maintenance of the property and to enter into further agreements as necessary to implement and carry out the intended disposition and use of this property as described in this Resolution, which changes will not materially affect the rights and obligations of the Agency pursuant to the proposed disposition.

**SECTION 10.** This Resolution shall take effect upon its adoption.

**SECTION 11.** The Agency Secretary or City Clerk shall certify as to the adoption of this resolution and shall cause the same to be processed in the manner required by law.

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Resolution R-\_\_\_\_\_

**APPROVED AND ADOPTED** by the Board of Directors of the Redevelopment Agency of  
the City of Cathedral City, this 10th day of October, 2001.

\_\_\_\_\_  
CHAIRMAN

**ATTEST:**

**APPROVED AS TO CONTENT**

\_\_\_\_\_  
SECRETARY

\_\_\_\_\_  
DEPARTMENT HEAD

**APPROVED AS TO FORM:**

**APPROVED:**

\_\_\_\_\_  
AGENCY COUNSEL

\_\_\_\_\_  
EXECUTIVE DIRECTOR

## EXHIBIT "D"

### SCHEDULE OF PERFORMANCE

(Days shall be calendar days, and all dates herein are subject to change due to force majeure in accordance with Section 6.04 of the Agreement)

Building Permit will be obtained within 60 days of execution of the Disposition and Development Agreement.

Completed home shall be occupied by the grantee within 180 days of the date of execution of the Disposition and Development Agreement.

EXHIBIT "E"

RECORDING REQUESTED BY: )  
)  
REDEVELOPMENT AGENCY OF )  
THE CITY OF CATHEDRAL CITY )  
)  
AND WHEN RECORDED RETURN TO:) )  
)  
Redevelopment Agency of the )  
City of Cathedral City )  
68-700 Avenida Lalo Guerrero )  
Cathedral City, CA 92324 )  
Attn: Redevelopment Director )

---

(Space Above for Recorder's Use)

CERTIFICATE OF COMPLETION

I, \_\_\_\_\_ Executive Director of the Redevelopment Agency of the City of Cathedral City (the "Agency") hereby certify as follows:

Section 1. The improvements required to be constructed in accordance with that certain Disposition and Development Agreement (the "Agreement") dated \_\_\_\_\_, by and between the Agency and Esteban Perezchica and Juan Perezchica ("Developer") on that certain real property (the "Property") more fully described in Exhibit "A" attached hereto and incorporated herein by this reference, have been completed in accordance with the provisions of said Agreement.

Section 2. This Certificate of Completion shall constitute a conclusive determination of satisfaction of the agreements and covenants contained in the Agreement with respect to the obligations of Developer, and its successors and assigns, to construct the improvements on the Property, excluding any normal and customary tenant improvements and minor building "punch-list" items, and including any and all buildings and any and all parking, landscaping and related improvements necessary to support or which meet the requirements applicable to the building and its use and occupancy on the Property, whether or not said improvements are on the Property or on other property subject to the Agreement, all as described in the Agreement, and to otherwise comply with Developer's obligations under the Agreement with respect to the Property and the dates for the beginning and completion of construction of improvements thereon under the Agreement; provided, however, that the Agency may enforce any covenant surviving this Certificate of Completion in accordance with the terms and conditions of the Agreement and the grant deed pursuant to which the Property was conveyed under the Agreement. Said Agreement is an official record of the Agency and a copy of said

Agreement may be inspected in the office of the Secretary of the Redevelopment Agency of the City of Cathedral City located at 68-700 Avenida Lalo Guerrero, Cathedral City, California 92234 during regular business hours.

Section 3. The Property to which this Certificate of Completion pertains is more fully described in Exhibit "A" attached hereto.

DATED AND ISSUED this \_\_\_\_ day of \_\_\_\_\_, 2001.

By: \_\_\_\_\_  
Executive Director of the Redevelopment  
Agency for the City of Cathedral City

Exhibit "A" to Certificate of Completion

EXHIBIT "F"

RECORDING REQUESTED BY: )  
)  
REDEVELOPMENT AGENCY OF THE )  
CITY OF CATHEDRAL CITY )  
)  
AND WHEN RECORDED MAIL TO: )  
)  
Redevelopment Agency of the )  
City of Cathedral City )  
68-700 Avenida Lalo Guerrero )  
Cathedral City, CA 92324 )  
Attn: Redevelopment Director )

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(Space Above for Recorder's Use)

DEED OF TRUST WITH ASSIGNMENT OF RENTS

This Deed of Trust is made on \_\_\_\_\_, 2001, by Esteban Perezchica and Juan Perezchica, jointly and severally, as tenants in common, hereinafter jointly called "Trustor," whose address is 31-575 Neuma Drive, Cathedral City, California 92234, to Palm Desert Escrow, Inc., hereinafter referred to as "Trustee", whose business address is 74-041 Highway 111, P.O. Box 879, Palm Desert, CA 92261, in favor of the REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY, hereinafter referred to as "Beneficiary", whose business address is 68-700 Avenida Lalo Guerrero, Cathedral City, California 92234.

Trustor irrevocably grants, transfers, and assigns to Trustee in trust, with power of sale, all that property, including all easements and rights of way used in connection therewith or as a means of access thereto, in the City of Cathedral City, County of Riverside, State of California, described as follows:

That certain property (the "Property") located in the City of Cathedral City, County of Riverside, State of California, more particularly described as:

SEE EXHIBIT "A"

together with the rents, issues and profits thereof, subject however to the right reserved by Trustor in Paragraph B-16 hereof to collect and apply such rents, issues and profits, prior to any default hereunder; for the purpose of securing payment of the indebtedness in the amount of Twenty Thousand Dollars (\$20,000) as evidenced in that certain Disposition and Development Agreement dated contemporaneously herewith by and between Trustor and

Attachment C-1

RESOLUTION NO. 2001-\_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, CONSENTING TO THE EXECUTION OF A DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) FOR THE DISPOSITION OF PROPERTY ACQUIRED WITH AFFORDABLE HOUSING FUNDS, BY AND BETWEEN THE REDEVELOPMENT AGENCY, ESTEBAN PEREZCHICA AND JUAN PEREZCHICA.

**WHEREAS**, the Redevelopment Agency of the City of Cathedral City, (the "Agency") is a redevelopment agency, duly created and activated pursuant to the provisions of Section 33000 et seq. of the Health and Safety Code of the State of California by a duly adopted Ordinance of the City of Cathedral City; and

**WHEREAS**, the City Council of the City of Cathedral City, California (the City Council) along with the Agency have caused the adoption of redevelopment plans (the "Plans") for each of the three Redevelopment Project Areas (the "Project Areas"); and

**WHEREAS**, the Agency is engaged in activities necessary to effectuate the Plans by providing for the acquisition and disposition of certain real property located within the boundaries of the Project Areas; and

**WHEREAS**, the Plans provide that the Agency shall use moneys from its Affordable Housing Set Aside Funds for the purposes of replacing housing units that are removed by redevelopment activities or increasing and improving the community's supply of low- and moderate-income housing ; and

**WHEREAS**, Section 33413 (b)(2)(A)(I) of the California Health and Safety Code (Community Redevelopment Law) requires that 15% of all housing constructed within the Project Area must be guaranteed affordable to low and moderate income residents; and

**WHEREAS**, pursuant to the Community Redevelopment Law, the Agency has adopted an Implementation Plan for each of the three Project Areas (the "Implementation Plans") setting forth Agency's low- and moderate-income housing program; and

**WHEREAS**, the Agency owns a developable building lot within project area #3 (fully described in Attachment "A" ) which was acquired for the purpose of building affordable housing; and

Beneficiary or Trustee; (c) pay, purchase, contest, or compromise any encumbrance, charge or lien that, in the judgment of either, appears to be superior hereto; and in exercising any such power, Beneficiary or Trustee may incur necessary expenses, including reasonable attorneys' fees.

v. To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the annual rate of two percentage points over Bank of America's published prime rate.

B. It is mutually agreed that:

1. The acceptance by Beneficiary of any payment less than the amount then due shall be deemed an acceptance on account only and shall not constitute a waiver of the obligation of Trustor to pay the entire sum then due or of Beneficiary's right either to require prompt payment of all sums then due or to declare default. The acceptance of payment of any sum secured hereby after its due date will not waive the right of Beneficiary either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay. No waiver of any default shall be a waiver of any preceding or succeeding default of any kind.

2. Upon written request of Beneficiary stating that all obligations secured hereby have been fully performed, and payment of its fees, and contingent upon the written confirmation of Beneficiary as to the performance of all of such obligations, Trustee shall reconvey, without warranty the property then held hereunder. The recitals in such reconveyance shall be conclusive proof of the truthfulness thereof. The grantee may be designated in such reconveyance as "the person or persons legally entitled thereto."

3. Trustor may give such notice to Beneficiary at any time before there is a Trustee's sale of the property. At any time Trustor is in default in obligations to Beneficiary hereunder, any amounts paid to and received by Beneficiary for execution of releases pursuant to the terms of this paragraph after notice of default and election to sell has been recorded shall not, unless the requirements of Section 2924c of the Civil Code are fully met by or on behalf of Trustor, waive the right of Beneficiary to continue its plans to have the property sold, nor shall they have any effect on the exercise by Beneficiary of the acceleration privilege contained herein, except to entitle the person effecting such payment to the release of the property for which the release amount was paid, and insofar as Beneficiary is concerned, to constitute a credit against the secured debt.

4. If Trustor or any subsequent owner of the property covered hereby shall occupy the property, or any part thereof, after any default of any obligation secured by this deed of trust, Trustor or such owner shall pay to Beneficiary in advance on the first day of each month a reasonable rental for the premises so occupied. On failure to pay such reasonable rental, Trustor or such owner may be removed from the premises by summary dispossession



proceedings or by any other appropriate action or proceeding.

5. If default is made in payment of any indebtedness or in performance of any agreement hereby secured, then Beneficiary, with or without notice to Trustor, may declare all sums secured hereby immediately due and payable by instituting suit for the recovery thereof or for the foreclosure of this deed, or by delivering to Trustee a written declaration of default and demand for sale, as well as a written notice of default and of election to cause the property to be sold, which notice Trustee shall cause to be filed for record. If such declaration is delivered to Trustee, Beneficiary shall also deposit with Trustee this deed, the secured note, and all documents evidencing expenditures secured hereby.

6. Should Trustor, without the consent in writing of Beneficiary, voluntarily sell, transfer or convey his interest in the property or any part thereof, or if by operation of law, it be sold, transferred or conveyed, then Beneficiary may, at its option, declare all sums secured hereby immediately due and payable, unless the new owner, and all subsequent owners, observe the Covenants as required by the Grant Deed.

7. After the time then required by law has elapsed after recordation of such notice of default, and notice of sale having been given as then required by law, Trustee, with or without demand on Trustor, shall sell the property at the time and place fixed in the notice of sale, either as a whole or in separate parcels and in such order as Trustee determines, at public auction, to the highest bidder, for cash in lawful money of the United States, payable at the time of sale. Trustee may postpone from time to time sale of all or any portion of the property by public announcement at the time and place of sale originally fixed or at the last preceding postponed time. Trustee shall deliver to the purchaser its deed conveying the property sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor, Trustee, Beneficiary or any other person may purchase at the sale.

8. After deducting all costs, fees and expenses of Trustee and of this trust, including cost of evidence of title and reasonable attorneys' fees in connection with sale, Trustee shall apply the proceeds of sale to payment of (a) all sums expended under the terms hereof and not theretofore repaid, with accrued interest at two percentage points over Bank of America's published prime rate per annum, and (b) all other sums then secured hereby in such order as Beneficiary, in the exercise of its sole discretion, directs. The remainder, if any, shall be paid to the person or persons legally entitled thereto.

9. Before Trustee's sale, Beneficiary may rescind such notices of default and of election to cause the property to be sold by delivering to Trustee a written notice of rescission, which notice, when recorded, shall cancel any prior declaration of default, demand for sale and acceleration of maturity. The exercise of such a right of rescission shall not constitute a waiver of any default then existing or subsequently occurring, or impair the right of Beneficiary to deliver to Trustee other declarations of default and demands for sale or

notices of default and of election to cause the property to be sold, or otherwise affect any provision of the secured note or of this deed or any of the rights, obligations or remedies of Beneficiary or Trustee hereunder.

10. The restrictions pertaining to the property will automatically terminate if title to the mortgaged property is transferred by foreclosure or deed-in-lieu of foreclosure, or if the mortgage is assigned to the Secretary of the Department of Housing and Urban Development.

11. Beneficiary may, from time to time as provided by statute, or by a writing signed and acknowledged by him and recorded in the office of the county recorder of the county in which the land is situated, appoint another trustee in stead and of Trustee herein named; and thereupon, the Trustee herein named shall be discharged, and the trustee so appointed shall be substituted as Trustee hereunder with the same effect as if originally named Trustee herein.

12. If two or more persons are designated as Trustee herein, any or all powers granted herein to Trustee may be exercised by any of such persons if the other person or persons is unable, for any reason, to act. Any recital of such inability in any instrument executed by any of such persons shall be conclusive against Trustor, his heirs and assigns.

13. All leases now or hereafter affecting the property are hereby assigned and transferred to Beneficiary by Trustor. Trustor hereby covenants that none of such leases will be modified or terminated without the written consent of Beneficiary.

14. When requested to do so, Trustor shall give such further written assignments of rents, royalties, issues and profits; of all security for the performance of leases; and of all money payable under any option to purchase, and shall give executed originals of all leases, now or hereafter on or affecting the property.

15. Trustor reserves the right, prior to any default in payment of any indebtedness or performance of any obligation secured hereby, to collect all such rents, royalties, issues and profits, as but not before they become due. Upon any such default, Trustor's right to collect such moneys shall cease, not only as to amounts accruing thereafter, but also as to amounts then accrued and unpaid. In the event of default, Beneficiary, with or without notice and without regard to the adequacy of security for the indebtedness hereby secured, either in person or by agent, or by a receiver to be appointed by the court, (a) may enter upon and take possession of the property at any time and manage and control it in Beneficiary's discretion, and (b) with or without taking possession, may sue for or otherwise collect the rents, issues and profits thereof, whether past due or coming due thereafter, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any obligation secured hereby and in such order as Beneficiary determines. None of the aforesaid acts shall cure or waive any default hereunder or invalidate

any act done pursuant to such notice. Beneficiary shall not be required to act diligently in the care or management of the property or in collecting any rents, royalties or other profits that it is hereby authorized to collect, and shall be accountable only for sums actually received.

16. Without affecting the liability of Trustor or of any other party now or hereafter bound by the terms hereof, from time to time and with or without notice, may release any person now or hereafter liable for performance of such obligation, and may extend the time for payment or performance, accept additional security, and alter, substitute or release any security.

17. In any judicial action brought to foreclose this deed or to enforce any right of Beneficiary or of Trustee hereunder, Trustor shall pay to Beneficiary and to Trustee attorneys' fees in a reasonable sum, to be fixed by the court.

18. No remedy hereby given to Beneficiary or Trustee is exclusive of any other remedy hereunder or under any present or future law.

19. The pleading of any statute of limitations as a defense to any and all obligations secured by this deed is hereby waived, to the full extent permissible by law.

20. In the event of default in the payment of any indebtedness secured hereby, and if such indebtedness is secured at any time by any other instrument, Beneficiary shall not be obligated to resort to any security in any particular order; and the exercise by Beneficiary of any right or remedy with respect to any security shall not be a waiver of or limitation on the right of Beneficiary to exercise, at any time or from time to time thereafter, any right or remedy with respect to this deed.

21. Trustor shall, upon request made by Beneficiary, furnish the Beneficiary with annual statements covering the operations of the property.

22. This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, successors in interest, and assigns. The term "Beneficiary" means the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this deed, whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular number includes the plural, and all obligations of each Trustor hereunder are joint and several.

23. Trustee accepts this trust when this deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee is a party unless brought by Trustee.

24. Any award of damages made in connection with the condemnation for

public use of or injury to the property or any part thereof is hereby assigned and shall be paid to Beneficiary, who may apply or release such moneys received therefor upon any indebtedness secured hereby in such order as Beneficiary determines, or at the option of Beneficiary the entire amount so received or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

Trustor requests that a copy of notice of default and of any notice of sale hereunder shall be mailed to him at the address set out opposite his name, immediately below.

MAILING ADDRESSES FOR NOTICES:

Esteban Perezchica and Juan Perezchica  
31-575 Neuma Drive  
Cathedral City, California 92234

REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY  
68-700 Avenida Lalo Guerrero  
Cathedral City, California 92234  
Attn: Executive Director

Executed at \_\_\_\_\_, California, on the date first above written.

Esteban Perezchica

\_\_\_\_\_

Juan Perezchica

\_\_\_\_\_

Exhibit "A" to Deed of Trust

State of California )  
 ) ss.  
County of \_\_\_\_\_ )

personally appeared

WITNESS my hand and official seal.

Signature of Notary Public

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

Signer(s) Other Than Named Above: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_



**AGENDA REPORT**  
for consideration by the  
**CATHEDRAL CITY CITY COUNCIL**

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**SUBJECT:** An amendment to the City's General Plan Land Use Map and Zoning Map to change approximately 423 acres of land, generally bounded by Ramon Road and Dinah Shore and between Date Palm and the Whitewater River, as further shown on Exhibit "A", from M/B (Medium Density Residential with Bonus Density Program, 4.5 to 10 dwelling units per acre) to L (Low Density Residential, 2 to 4.5 dwelling units per acre), and from R2-B (Multifamily Residential - Density Bonus) to R1 (Single-family Residential), respectively; and a Zoning Ordinance text amendment regarding multi-family legal non-conforming uses.

**DEPARTMENT:** Planning

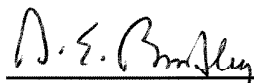
**MEETING DATE:** October 10, 2001


**CONTACT PERSON:** Cynthia S. Kinser

**DEADLINE FOR ACTION:** N/A

**APPROVED:**

  
Department

  
City Manager

  
Finance

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**RECOMMENDATION:**

That the City Council adopt the draft Resolutions, thereby approving General Plan Amendment 01-75, Change of Zone 01-101 and Zoning Ordinance Amendment 01-209, amending the City's General Plan Land Use Map and Zoning Map to change properties generally bounded by Ramon Road and Dinah Shore and between Date Palm and the Whitewater River from M/B (Medium Density Residential with Bonus Density Program, 4.5 to 10 dus/acre) to L (Low Density Residential 2 to 4.5 dus/acre), and from R2-B (Multifamily Residential - Density Bonus) to R1 (Single-family Residential), respectively; and a Zoning Ordinance text amendment regarding multi-family legal non-conforming uses.

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***Executive Summary:***

*In September 1999, the City Council adopted a moratorium on multi-family development on lots less than one acre in size in the area between Ramon Road and Dinah Shore, and between the Whitewater River and Date Palm Drive. The moratorium was based upon concerns regarding public safety. The intent of the moratorium was to allow for a time frame in which to change the land use, through the review and approval of the update to the City's General Plan. The General Plan scope of work was expanded and, thereby, the revised General Plan is not in place to address this area. The City Council directed staff to proceed with an amendment to change the area from a multi-family designation to a single-family designation in advance of the General Plan update, due to continued concerns for the quality of life and public safety in the subject area.*

**BACKGROUND:**

In September 1999, the City Council adopted a moratorium on multi-family development on lots less than one acre in size in the area between Ramon Road and Dinah Shore, and between the Whitewater River and Date Palm Drive. The moratorium was based upon concerns regarding public safety and quality of life. This square-mile area is the most densely populated area within the City's 13 square miles and accounts for approximately 25% of the calls for service to the Police Department. This area also has the highest calls for service for the Fire Department.

The intent of the moratorium was to allow for a time frame in which a change of land use, along with other provisions, could be explored through the review and approval of the City's General Plan. The moratorium was extended to the maximum extent permitted by law and expired on September 22, 2001. However, the General Plan scope of work was expanded and, thereby, the revised General Plan is not in place to address this area.

There are presently, approximately 340 vacant lots within the subject area. If they were all developed as duplexes this could permit an additional 680 units. The City Council has identified that there is an existing public welfare concern with the area's existing density and a lack of public amenities, such as recreational facilities. Further, that increased density will provide a further strain on the City's budget with regard to Police and Fire needs. Therefore, the City Council has directed staff to proceed with a General Plan Amendment and Change of Zone to change the majority of the subject area (see attached map) from a designation that presently allows multi-family (2 units or more) on a parcel, to a designation that would permit a single dwelling unit on a lot.

**ANALYSIS:**

As noted on the attached map, it does not identify any changes to property fronting on Ramon, which is commercial, nor to Date Palm frontage, which is a combination of commercial, multi-family and vacant lots. Furthermore, there is an area east of Cathedral Canyon, from Ramon to Dinah Shore that is proposed to remain as multi-family due to existing multi-family developments or projects that have achieved recent entitlements. The triangular properties adjacent to Dinah Shore are also proposed to remain as multi-family.

If the General Plan Amendment and Change of Zone is adopted, then only single family residential units could be developed within this area, which may pose a concern to those that have existing multi-family units on their property. Existing multi-family development would become "legal non-conforming use". A legal non-conforming use means that the use was permitted at the time of construction, however, since then the provisions have changed and the use is no longer permitted. The "non-conforming" status on existing development could preclude property owners from obtaining financing on their property, as technically this would mean that if 50% or greater of the structure was destroyed that only one unit could replace the previous multiple units.

As a result, staff is recommending a Zoning Ordinance Amendment that would add a new provision that identifies that all existing multi-family uses (2 units or more on a lot) in the R1 zone in the area bounded by Ramon Road and Dinah Shore, and between Date Palm Drive and the Whitewater River, shall be deemed conforming.



This provision would allow property owners with existing multi-family units within this subject area to be reconstructed should the structure be destroyed by 50% or greater, and thereby, not detract from property values.

#### **ENVIRONMENTAL REVIEW**

The proposed amendments have been reviewed in accordance with the California Environmental Quality Act, and it has been determined that the proposed amendments minimize impacts on the environment, thereby, a Negative Declaration is recommended.

#### **NOTIFICATION**

When greater than 1,000 properties are involved, then an ad within the local newspaper is permitted rather than notices to individual property owners. Attached is a copy of the public hearing notice.

#### **FISCAL IMPACT:**

The change from multi-family designation to a single-family designation will reduce the ultimate number of units and population within the subject area than was previously anticipated. Thereby, the change in use will assist in reducing the costs and resources necessary to provide services within the subject area.

#### **ALTERNATIVE:**

Deny the requested Amendments, which will allow multi-family development to continue to be developed in the area, which will continue to tax City resources, particularly with relation to Police and Fire services.

#### **ATTACHMENTS**

- 1) Resolution - General Plan Amendment 01-75
- 2) Ordinance - Change of Zone 01-101
- 3) Ordinance - Zoning Ordinance Amendment 01-209
- 4) Public Hearing Notice

**RESOLUTION NO. 2001-**

**GENERAL PLAN AMENDMENT 01-75**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, ADOPTING A NEGATIVE DECLARATION AND APPROVING AN AMENDMENT TO THE CITY'S LAND USE MAP OF THE GENERAL PLAN FOR APPROXIMATELY 423 ACRES OF LAND, FOR AN AREA GENERALLY BOUNDED BY RAMON ROAD AND DINAH SHORE, AND BETWEEN DATE PALM DRIVE AND THE WHITEWATER RIVER, AS FURTHER SHOWN IN EXHIBIT "A", FROM M/B (MEDIUM DENSITY RESIDENTIAL - 4.5 TO 10 DWELLING UNITS, WITH BONUS DENSITY PROGRAM) TO L (LOW DENSITY RESIDENTIAL - 2 TO 4.5 DWELLING UNITS PER ACRE)**

**WHEREAS**, an application to the City of Cathedral City, California, for approval of General Plan Amendment 01-75 under the provisions of the Cathedral City Municipal Code and Zoning Ordinance was initiated by the City of Cathedral City; and

**WHEREAS**, said application has been submitted to the City's Planning Commission for recommendation after a properly noticed public hearing was held on October 3, 2001; and

**WHEREAS**, said application has been submitted to the City's City Council for recommendation after a properly noticed public hearing was held on October 10, 2001; and

**WHEREAS**, the request is to change the Land Use Map for the General Plan for approximately 423 acres, for an area generally bounded by Ramon Road and Dinah Shore, and between Date Palm Drive and the Whitewater River, as further shown in Exhibit "A", from M/B (Medium Density Residential - 4.5 to 10 dwelling units per acre, with Bonus Density Program) to L (Low Density Residential - 2 to 4.5 dwelling units per acre); and

**WHEREAS**, the City of Cathedral City acting as Lead Agency has determined that the requested General Plan Amendment 01-75 will not have a significant impact on the environment, a Negative Declaration is recommended to the City Council for adoption; and

**Section 1.** The Planning Commission considered all of the evidence submitted into the administrative record, which includes, but is not limited to: a) the Staff Report prepared for the Planning Commission by the City Planner; b) the staff presentation; c) public comments, both written and oral, received and/or submitted at, or prior to, the public hearing/meeting supporting and/or opposing the staff recommendation; and, d) testimony and/or comments from the applicant and its representatives submitted to the City in both written and oral form at, or prior to, the public hearing/meeting.

**Section 2.** The City Council considered all of the evidence submitted into the administrative record, which includes, but is not limited to: a) the Staff Report prepared for the City Council by the City Planner; b) the staff presentation; c) public comments, both written and oral, received and/or submitted at, or prior to, the public hearing/meeting supporting and/or opposing the staff recommendation; and, d) testimony and/or comments from the applicant and its representatives submitted to the City in both written and oral form at, or prior to, the public hearing/meeting.

**Section 3.** Based on the foregoing evidence the City Council finds that:

- a) The proposed general plan amendment is in conformity with the General Plan.

The subject land area consists of single-family, multi-family and vacant lots that have been previously subdivided. The General Plan identifies:

7. Objective: Provide a safe, attractive and balanced residential environment;  
  - 7.2.3 Program: Review and possible revision of single- and multiple-family dwelling site development standards if and when new safety or quality-of-life issues arise.
8. Objective: To the maximum feasible degree, housing and residential development shall, by design, encourage safe living.
9. Objective: Preserve or enhance existing neighborhoods. Encourage the development of vacant parcels in existing neighborhoods when the use will not be detrimental to the quality of the neighborhoods.

The General Plan Amendment, in combination with Change of Zone 01-101 will encourage single-family development, within the existing mix of single-family and multi-family development, and thereby reduce the potential for the area to become over-crowded.

b) The proposed general plan amendment is necessary and proper at this time, and is not likely to be detrimental to the adjacent property or residents.

The subject area has experienced the greatest number of calls for service for Police and Fire resources. The City Council has previously identified that it desires to promote safe, attractive and balanced housing within the area by providing a balanced mix of single-family and multi-family uses within the subject area without further increasing the density and population, and thereby minimize the impact on City services necessary to facilitate the subject area, particularly with regards to Fire and Police services. The General Plan Amendment will promote a balanced community and quality of life.

**NOW, THEREFORE, LET IT BE RESOVLED**, that the City Council of the City of Cathedral City does adopt a Negative Declaration and approves General Plan Amendment 00-75, amending the City's Land Use Map of the General Plan for approximately 423 acres of land, for an area generally bounded by Ramon Road and Dinah Shore, and between Date Palm Drive and the Whitewater River, as further shown in Exhibit "A", from (M/B (Medium Density Residential - 4.5 to 10 dwelling units, with Bonus Density Program) to L (Low Density Residential - 2 to 4.5 dwelling units per acre).

The Clerk to the City Council shall certify as to the adoption of this resolution and shall cause the same to be processed in the manner required by law.

The foregoing Resolution was approved and adopted at a meeting of the City Council held on the \_\_\_\_ day in the month of \_\_\_\_\_, 2001 by the following vote:

Ayes:  
Noes:  
Abstain:  
Absent:

\_\_\_\_\_  
George Stettler, Mayor

ATTEST:

\_\_\_\_\_  
Donna Velotta, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Cynthia S. Kinser, City Planner



Exhibit "A"

**ORDINANCE NO.**

**CHANGE OF ZONE 01-101**

**A ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, ADOPTING A NEGATIVE DECLARATION AND APPROVING A CHANGE OF ZONE FROM R2/B (MULTI-FAMILY RESIDENTIAL/BONUS DENSITY) TO R1 (SINGLE FAMILY RESIDENTIAL) FOR APPROXIMATELY 423 ACRES OF LAND, AS SHOWN IN EXHIBIT "A", GENERALLY BOUNDED BY RAMON ROAD AND DINAH SHORE, AND BETWEEN DATE PALM DRIVE AND THE WHITEWATER RIVER**

**WHEREAS**, an application to the City of Cathedral City, California, for approval of Change of Zone 01-101, under the provisions of the Cathedral City Municipal Code and Zoning Ordinance was initiated by the City of Cathedral City; and

**WHEREAS**, said application has been submitted to the City's Planning Commission for recommendation after a properly noticed public hearing was held on October 3, 2001; and

**WHEREAS**, said application has been submitted to the City's City Council for recommendation after a properly noticed public hearing was held on October 10, 2001; and

**WHEREAS**, the request is to change the Official Zoning Map for approximately 423 acres of land, as shown in Exhibit "A", generally bounded by Ramon Road and Dinah Shore, and between Date Palm Drive and the Whitewater River, from R2/B (Multi-family Residential/Bonus Density) to R1 (Single-family Residential); and

**WHEREAS**, the City of Cathedral City acting as Lead Agency has determined that the requested Change of Zone 01-101 will not have a significant impact on the environment, a Negative Declaration, is recommended to the City Council for adoption; and

**Section 1.** The Planning Commission considered all of the evidence submitted into the administrative record, which includes, but is not limited to: a) the Staff Report prepared for the Planning Commission by the City Planner; b) the staff presentation; c) public comments, both written and oral, received and/or submitted at, or prior to, the public hearing/meeting supporting and/or opposing the staff recommendation; and, d) testimony and/or comments from the applicant and its representatives submitted to the City in both written and oral form at, or prior to, the public hearing/meeting.

**Section 2.** The City Council considered all of the evidence submitted into the administrative record, which includes, but is not limited to: a) the Staff Report prepared for the City Council by the City Planner; b) the staff presentation; c) public comments, both written and oral, received and/or submitted at, or prior to, the public hearing/meeting supporting and/or opposing the staff recommendation; and, d) testimony and/or comments from the applicant and its representatives submitted to the City in both written and oral form at, or prior to, the public hearing/meeting.

**Section 3.** Based on the foregoing evidence the City Council finds that:

- a) The proposed zoning ordinance amendment is in conformity with the General Plan.

The subject land area consists of single-family, multi-family and vacant lots that have been previously subdivided. The General Plan identifies:

7. Objective: Provide a safe, attractive and balanced residential environment;  
  - 7.2.3 Program: Review and possible revision of single- and multiple-family dwelling site development standards if and when new safety or quality-of-life issues arise.
8. Objective: To the maximum feasible degree, housing and residential development shall, by design, encourage safe living.
9. Objective: Preserve or enhance existing neighborhoods. Encourage the development of vacant parcels in existing neighborhoods when the use will not be detrimental to the quality of the neighborhoods.

The Change of Zone, in combination with General Plan Amendment 01-75 will encourage single-family development, within the existing mix of single-family and multi-family development, and thereby reduce the potential for the area to become over-crowded.

b) The subject property is suitable for the uses permitted in terms of access, size of the parcel, relationship to similar or related uses, and other considerations deemed relevant by the Commission and Council.

The subject area has been previously subdivided into individual lots, the lots are consistent with the minimum standards for a single-family residential use. The existing lot configuration is more appropriate for single-family development to provide a typical single-family home, adequate vehicular access and open space.

c) The proposed change of zone is necessary and proper at this time, and is not likely to be detrimental to the adjacent property or residents.

The subject area has experienced the greatest number of calls for service for Police and Fire resources. The City Council has previously identified that it desires to promote safe, attractive and balanced housing within the area by providing a balanced mix of single-family and multi-family uses within the subject area without further increasing the density and population, and thereby minimize the impact on City services necessary to facilitate the subject area, particularly with regards to Fire and Police services. The Change of Zone will promote a balanced community.

**NOW, THEREFORE, LET IT BE RESOVLED**, that the City Council of the City of Cathedral City does adopt a Negative Declaration and approves Change of Zone 01-101, changing approximately 423 acres of land, from R2/B (Multi-family Residential/Bonus Density) to R1 (Single-family Residential), for an area generally bounded by Ramon Road and Dinah Shore, and between Date Palm Drive and the Whitewater River, as shown in Exhibit "A".

#### **Section 4. Repeal of Conflicting Provisions**

All the provisions of the Cathedral City Municipal Code and Zoning Ordinance as heretofore adopted by the City of Cathedral City that are in conflict with the provisions of this ordinance are hereby repealed.

**Section 5. Effective Date**

This ordinance shall take effect thirty (30) days after its second reading by the City Council.

**Section 6. Posting**

The City Clerk shall within 15 days after passage of this Ordinance, cause it to be posted in at least the three (3) public places designated by resolution of the City Council; shall certify to the adoption and posting of this Ordinance; and, shall cause this Ordinance and its certification, together with proof of posting, to be entered in the Book of Ordinances of this City.

The foregoing Ordinance was approved and adopted at a meeting of the City Council held on the \_\_\_\_ day in the month of \_\_\_\_\_, 2001 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

\_\_\_\_\_  
George Stettler, Mayor

ATTEST:

\_\_\_\_\_  
Donna Velotta, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Cynthia S. Kinser, City Planner





Exhibit "A"

ORDINANCE NO.

ZONING ORDINANCE AMENDMENT 01-209

A ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, APPROVING A ZONING ORDINANCE AMENDMENT TO CHAPTER 19.05.03 "NON-CONFORMING USES" AND 19.05.05 "NON-CONFORMING STRUCTURES", REGARDING EXEMPTING EXISTING MULTI-FAMILY UNITS ON R1 (SINGLE-FAMILY RESIDENTIAL) ZONED PROPERTIES IN THE AREA BOUNDED BY RAMON ROAD AND DINAH SHORE, AND BETWEEN DATE PALM DRIVE AND THE WHITEWATER RIVER.

**WHEREAS**, an application to the City of Cathedral City, California, for approval of Zoning Ordinance Amendment 01-209 under the provisions of the Cathedral City Municipal Code and Zoning Ordinance was initiated by the City of Cathedral City; and

**WHEREAS**, said application has been submitted to the City's Planning Commission for recommendation after a properly noticed public hearing was held on October 3, 2001; and

**WHEREAS**, said application has been submitted to the City's City Council for recommendation after a properly noticed public hearing was held on October 10, 2001; and

**WHEREAS**, the request is to exempt multi-family units on R-1 zoned properties in the area bounded by Ramon Road and Dinah Shore, and between Date Palm Drive and the Whitewater River; and

**WHEREAS**, the City of Cathedral City acting as Lead Agency has determined that the requested Zoning Ordinance Amendment 01-209 is exempt from the California Environmental Quality Act; and

**Section 1.** The Planning Commission considered all of the evidence submitted into the administrative record, which includes, but is not limited to: a) the Staff Report prepared for the Planning Commission by the City Planner; b) the staff presentation; c) public comments, both written and oral, received and/or submitted at, or prior to, the public hearing/meeting supporting and/or opposing the staff recommendation; and, d) testimony and/or comments from the applicant and its representatives submitted to the City in both written and oral form at, or prior to, the public hearing/meeting.

**Section 2.** The City Council considered all of the evidence submitted into the administrative record, which includes, but is not limited to: a) the Staff Report prepared for the City Council by the City Planner; b) the staff presentation; c) public comments, both written and oral, received and/or submitted at, or prior to, the public hearing/meeting supporting and/or opposing the staff recommendation; and, d) testimony and/or comments from the applicant and its representatives submitted to the City in both written and oral form at, or prior to, the public hearing/meeting.

**Section 3.** Based on the foregoing evidence the City Council finds that:

- a) The proposed zoning ordinance amendment is in conformity with the General Plan.

The proposed Zoning Ordinance Amendment will provide assurance for property owners with existing multi-family units in the area bounded by Ramon Road and Dinah

Shore, and between Date Palm Drive and Whitewater River that the existing use and structure can be maintained and replaced over time.

b) The proposed zoning ordinance amendment is necessary and proper at this time, and is not likely to be detrimental to the adjacent property or residents.

The Zoning Ordinance Amendment text will not be detrimental to the public health, safety, and welfare of the community.

NOW, THEREFORE, LET IT BE RESOVLED, that the City Council of the City of Cathedral City does find the application exempt from the California Environmental Quality Act and approved Zoning Ordinance Amendment 01-209, which adds Sections 19.05.03.06 and 19.05.05.07 as follows:

**Section 4.**                    **ADDITION TO SECTION 19.05.03.06**

Section 19.05.03 "Non-Conforming Uses" of the Zoning Ordinance is hereby amended as follows:

"19.05.03.06 Existing multi-family uses (2 units or more on a lot) in the R1 zone in the area bounded by Ramon Road and Dinah Shore, and between Date Palm Drive and the Whitewater River, shall be deemed conforming."

**Section 5.**                    **ADDITION TO SECTION 19.05.05.07**

Section 19.05.05 "Non-Conforming Structures" of the Zoning Ordinance is hereby amended as follows:

"19.05.05.07 Existing multi-family structures (2 units or more on a lot) in the R1 zone in the area bounded by Ramon Road and Dinah Shore, and between Date Palm Drive and the Whitewater River, shall be deemed conforming."

**Section 6. Severability**

If any section, subsection or clause of this ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining section, subsection and clauses shall not be affected thereby.

**Section 7. Repeal of Conflicting Provisions**

All the provisions of the Cathedral City Municipal Code and Zoning Ordinance as heretofore adopted by the City of Cathedral City that are in conflict with the provisions of this ordinance are hereby repealed.

**Section 8. Effective Date**

This ordinance shall take effect thirty (30) days after its second reading by the City Council.

**Section 9. Posting**

The City Clerk shall within 15 days after passage of this Ordinance, cause it to be posted in at least the three (3) public places designated by resolution of the City Council; shall certify to the adoption and posting of this Ordinance; and, shall cause this Ordinance and its certification, together with proof of posting, to be entered in the Book of Ordinances of this City.

The foregoing Ordinance was approved and adopted at a meeting of the City Council held on the \_\_\_\_ day in the month of \_\_\_\_\_, 2001 by the following vote:

Ayes:  
Noes:  
Abstain:  
Absent:

\_\_\_\_\_  
George Stettler, Mayor

ATTEST:

\_\_\_\_\_  
Donna Velotta, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Cynthia S. Kinser, City Planner



## **NOTICE OF PUBLIC HEARING**

**PROPOSAL:** An amendment to the City's General Plan Land Use Element and Zoning Map to change properties shown in the exhibit from M/B (Medium Density Residential with Bonus Density Program, 4.5 to 10 dus/acre) to L (Low Density Residential 2 to 4.5 dus/acre), and from R2-B (Multifamily Residential – Density Bonus) to R1 (Single-family Residential), respectively; and a Zoning Ordinance text amendment regarding multi-family legal non-conforming uses.

**APPLICANT:** City of Cathedral City

**ENVIRONMENTAL DETERMINATION:** Negative Declaration

Any person interested in any listed proposal can contact the Planning Department, at 68-700 Avenida Lalo Guerrero, Cathedral City, California, during normal business hours (7:00 a.m. to 6:00 p.m., Monday through Thursday) or may telephone (760) 770-0370 for further information.

In the case of Public Hearing items, any person may also appear and be heard in support of or opposition to the project or recommendation of adoption of the Environmental Determination at the time of the Hearing. The City Council, at the Hearing or during deliberations, could approve changes or alternatives to the proposal or the environmental determination.

If you challenge any of these items in court, you may be limited to raising only those items you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the Public Hearing.

**NOTE TO THE PUBLIC:**

**IN COMPLIANCE WITH THE AMERICANS WITH DISABILITY ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT GLORIA CASEY, PLANNING SECRETARY, AT (760) 770-0370. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE CITY TO MAKE REASONABLE ACCOMMODATIONS TO ENSURE ACCESSIBILITY TO THIS MEETING. {28 CFR 35.104 ADA TITLE II}**

**City Council Hearing  
Wednesday, October 10, 2001 at 7:30 P.M.  
City Council Chambers  
68-700 Avenida Lalo Guerrero  
Cathedral City, CA 92234**



Exhibit "A"

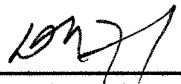
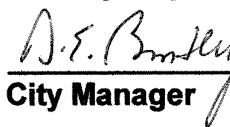

**CITY OF CATHEDRAL CITY  
CITY COUNCIL AGENDA**

**SUBJECT:** Ritz Carlton Golf Course: Parcel Map PM 29719: Approval of Final Parcel Map.

**DEPARTMENT:** Engineering

OCT. 10, 2001  
**MEETING DATE:** ~~September 26, 2001~~  
**DEADLINE FOR ACTION:** N/A

**CONTACT PERSON:** Dave Faessel, City Engineer

**APPROVED:**     
Department City Manager Finance

**RECOMMENDATION:**

That the City Council approve the final map of Parcel Map 29719, accept the dedications made to the City on the final map, and authorize execution of the performance agreement.

**BACKGROUND/ANALYSIS:**

The tentative map for Parcel Map 29719, located along the East Cathedral Canyon wash, was approved by the City Council in July of 2000. The tentative map consists of 11 parcels, owned by the City of Cathedral City, the Redevelopment Agency of the City of Cathedral City, and the City of Rancho Mirage. The purpose of the map is to create several parcels to facilitate the development and construction of a golf course.

The City has already executed two leases with the golf course developer covering the land to be developed. The parcels being created outside of the proposed golf course will remain vacant. Several of these, located within Rancho Mirage, have conservation easements on the parcels.

The total area within the map is 987.8 acres. The four parcels being developed as a golf course total about 157 acres.

This map divides land within both the City of Cathedral City and Rancho Mirage. Consequently, both cities must approve and sign the final map.

**Final Map:** The developer's (lessee's) engineer has prepared a final map, which is ready for final map approval. The land has been surveyed and the final map has been submitted and reviewed. The map is in conformance with the tentative map and with the State Subdivision Map Act. All required securities have been posted to guarantee completion of all improvements, and the developer has executed a performance agreement.

**Dedications:** The map dedicates easements along the channel levee for emergency access and for public services. At the Council and Agency meeting of September 10, 2001, the Council and Board authorized the dedication of the easements to the City. Staff recommends that these offers be accepted.

**Conditions:** A number of conditions were applied to this map and to the related Conditional Use Permit. Other conditions from various leases, development agreements, and other agreements between the various parties involved also have been applied to the approval of this map. All of these have been reviewed and those pertinent to the final map approval have been complied with.

**Subdividers:** The City of Cathedral City and its Redevelopment Agency are land owners in the parcel map and as such are subdividers, per the State Subdivision Map Act. At the Council and RDA meeting of September 10, 2001, the Council and Agency Board authorized their respective officers to sign this map as subdividers.

**FISCAL IMPACT:**

Approval and recordation of this map will allow the construction of the golf course. Construction and use of the course will initiate lease payments to the City, per the terms of the existing leases with the developer.

**ATTACHMENTS:**

None



**REDEVELOPMENT AGENCY OF  
CITY OF CATHEDRAL CITY  
AGENDA REPORT**

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**SUBJECT:** Appraisal and Acquisition services for the proposed BCN Conference Hotel project.

**DEPARTMENT:** Redevelopment

**MEETING DATE:** October 10, 2001

**DEADLINE FOR ACTION:** N/A

**CONTACT PERSON:** Susan Moeller

**APPROVED:**

  
Redevelopment

  
Executive Director

  
Finance

---

**RECOMMENDATION:**

Approve an increase in the loan made to the Agency from the Housing Fund by \$122,000.00, for a total loan amount for this project of \$342,000.00 and authorize the Executive Director to contract for appraisal and land acquisition services for the BCN Conference Hotel project, in an amount not to exceed in total \$122,000.00, and detailed as follows:

SERVICE	FIRM	COST ESTIMATE	TOTAL COST
Acquisition	Overland Resources and/or another firm	40 parcels at \$2,000	\$80,000.00
Real Property Appraisal	Jan Sherman	20 residential parcels at average \$400.00	\$10,000.00
Real Property Appraisal	Michael Champion	20 residential parcels at average \$400.00	\$10,000.00
Real Property Appraisal	Scott Lidgard	4 commercial parcels at average \$3,750.00	\$15,000.00
Fixtures and Equipment Appraisal	Gordon Hjelmstrom		\$ 7,000.00
		TOTAL	\$122,000.00

**BACKGROUND:**

On September 26, 2001, the Agency board authorized the Executive Director to enter into an agreement with OVS to provide eminent domain and other legal services related to the acquisition of land and buildings for the BCN Conference Hotel project. OVS was asked to seek firms for appraisal and acquisition services to complete the land assembly team. Pacific Relocation Services has already been retained for relocation services.

**ANALYSIS:**

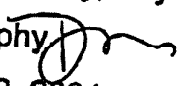
OVS has contacted a number of firms to provide the required services, and has made a recommendation for appraisal services that includes all of the appraisers listed in the previous chart. OVS is in the process of obtaining an additional proposal from an acquisition service firm and will be making a specific recommendation for that service at the Agency Board meeting. The estimated total cost for these services is \$122,000.00. The funding requirements for these services over the next three months (prior to DDA) is anticipated to be no more than \$67,000.00 and the anticipated cost for OVS' services for that same three months is \$30,000.00; the total need over the next 90 days is \$97,000.00.

**FISCAL IMPACT:**

Funds are available to be loaned from the Housing Fund. It is recommended that the recently approved loan from the Housing Fund be increased by \$122,000.00; it would then total \$342,000.00.

LAW OFFICES  
Oliver, Vose, Sandifer, Murphy & Lee  
A Professional Corporation  
Figueras Courtyard  
281 S. Figueras Street  
Second Floor  
Los Angeles, California 90012-2501  
Telephone (213) 621-2000  
Facsimile (213) 621-2211

## MEMORANDUM

To: Donald Bradley, City Manager  
FROM: Duff Murphy   
DATE: October 2, 2001  
RE: BCN Project/Appraisal and Acquisition Expenditures

---

You requested an estimate as to the actual expenditures that will be incurred by the consultants retained for real estate appraisals and acquisition services. Further, you have asked when it is anticipated that payment for these services will need to be made.

### APPRAISAL SERVICES

The first expenses to be incurred will be the cost of obtaining real estate appraisals for approximately 40 parcels. These parcels are predominately residential and it is anticipated that most of those are single family residences. There are approximately 4-5 commercial/industrial parcels that will need to be acquired as well depending on the scope of the project.

I have contacted three appraisers who are prepared to commence their appraisals immediately. Real estate appraisals are needed for purposes of making acquisition offers. Where a public entity seeks to acquire real property for a proposed project, it must base its acquisition offer on an approved appraisal. The offer may be no less than the amount of the approved appraisal.

It is estimated that the appraisals can be completed within a six week period commencing from the date the appraisers are authorized to commence their appraisals. Based on proposals from the three real estate appraisers, the total cost to obtain these appraisals will be approximately \$35,000.00. [In a separate memorandum to Susan Moeller, I have detailed the proposals received from the appraisers.]

Payment for the appraisals will be upon delivery of their completed appraisals. After I have reviewed their invoices, they will be forwarded to the City for review and payment. I would anticipate that payment of these sums should be requisitioned for approximately 60 days after the appraisers are given authorization to commence their appraisal assignments. Furthermore, since the appraisers will be performing all appraisals simultaneously, the total amount of their invoices will be due at the completion of their assignments.

### ACQUISITION

Once the real estate appraisals are completed, they will be reviewed for purposes of accuracy and consistency. Once the review is completed, acquisition offers can be made to the property owners assuming that the project has been approved and authorization is given to proceed with acquisition.

The acquisition agent has submitted a proposal to provide acquisition services that include making written offers to the property owners, meeting and negotiating with the owners and preparing, where necessary, acquisition contracts, deeds and escrow instructions.

The acquisition agent has proposed a fixed rate of \$2,000.00 per parcel. It is estimated that the acquisition agent will acquire approximately 1/4 of the parcels in the first month of negotiations and 50% of the parcels by the end of the third month of acquisitions. These estimates are conservative.

The acquisition agent can begin making offers immediately upon receiving the real estate appraisals. We will look to you for direction as to when to commence acquisition.

From a budget standpoint, I would anticipate receiving invoices from the acquisition agent approximately one month after the appraisal are completed. These invoices would be received on an ongoing basis with an initial invoice in the approximate range of \$25,000.00.

## LEGAL SERVICES

During the appraisal and acquisition phase, it will be necessary to meet with the real estate appraisers, provide direction and supervision, and ultimately review each of their appraisals. This will include meeting with the appraisers and discussing their assignments, checking on progress and potentially reviewing any draft appraisals, if provided.

Work with the acquisition agent will include supervising and directing contact with the property owners, preparing written offers and reviewing appraisal summaries, and working closely with the acquisition agent on the progress of making contact with the owners and negotiating purchase prices. To the extent the acquisition agent negotiates a purchase price with an owner, there will be the need to review the purchase contract, deeds and escrow instructions.

Throughout the appraisal and acquisition process, there will be the need to maintain direct contact with Agency and City staff.

There will also be relocation assistance issues that arise once offers to the property owners have been made. There will be a need to consult with the relocation assistance agent, review proposed procedures, and maintain supervision and management of those activities.

Based on the foregoing it is estimated that the legal services during the initial three months of appraisal, acquisition and relocation would estimate approximately \$30,000.00. This is an estimate that may change based on the complexity of issues that are raised during the course of this project.

## CONCLUSION

The initial costs (first three months) of appraisal, acquisition and legal services are summarized as follows:

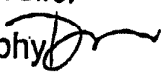
Appraisals:	\$35,000.00
Fixtures and Equipment Appraisals:	\$ 7,000.00
Acquisition Agent:	\$25,000.00
Legal:	\$30,000.00

DM:sp  
70557

cc: Jim Cleary

LAW OFFICES  
Oliver, Vose, Sandifer, Murphy & Lee  
A Professional Corporation  
Figueroa Courtyard  
281 S. Figueroa Street  
Second Floor  
Los Angeles, California 90012-2501  
Telephone (213) 621-2000  
Facsimile (213) 621-2211

## MEMORANDUM

TO: Susan Moeller  
FROM: Duff Murphy   
DATE: October 2, 2001  
RE: BCN Project/Acquisition and Appraisals

---

### ACQUISITION

I have received a proposal from Overland Resources, 77-564 Country Club Drive, Suite 150/104 Palm Desert to provide acquisition services. Attached is a copy of their proposal.

In summary, Overland Resources proposes to provide acquisition services which include the preparation of offer letters, including an appraisal summary, present the offers to each owner, negotiate and prepare acquisition contracts, deeds and escrow instructions. Also included in the proposal is preparing regular status reports of progress in attending management meetings, where necessary.

The estimate is \$2,000.00 per parcel on a fixed fee basis which totals \$80,000.00.

A copy of the proposal is attached.

### APPRAISAL SERVICES

I have contacted three appraisers for purposes of providing real estate appraisals. I anticipate receiving written proposals from the appraisers however, their proposals are summarized as follows:

Jan Sherman: Ms. Sherman is a local real estate appraiser who has conducted appraisals for the City and Redevelopment Agency in the past. Her stated expertise is in residential appraisals and has assisted the Redevelopment Agency in scoping the residential properties in this project. It is estimated that Ms. Sherman will perform 20 residential appraisals at an average cost of \$400.00 per appraisal. This totals \$8,000.00. Given that Ms. Sherman will be working on several multi-family residential properties (apartment buildings) I estimate that notwithstanding the average appraisal cost that her proposal will be \$10,000.00.

Michael Champion: Mr. Champion is a residential real estate appraiser who has worked for the City and Redevelopment Agency staff on several projects in the past. Mr. Champion will undertake to prepare approximately 20 residential appraisals at an average cost of \$400.00 per appraisal. Mr. Champion will appraise several multi-family residential units and I estimate that his total proposal, notwithstanding the average appraisal cost, will be \$10,000.00.

Scott Lidgard: Mr. Lidgard is a commercial and industrial appraiser who has appraised numerous properties for the City and Redevelopment Agency in the past. Based on a preliminary scope of the properties necessary for this project, it is estimated that there are 4 commercial/industrial properties that will need to be appraised. Mr. Lidgard has advised me that his average appraisal cost is \$3,000.00. However, given the nature of the appraisals, it is estimated that his proposal will be \$15,000.00.

The total real estate appraisal costs are at this time estimated to be \$35,000.00.

#### FIXTURES AND EQUIPMENT

Gordon Hjelmstrom: Mr. Hjelmstrom is a furniture, fixture and equipment appraiser who will be retained as needed to evaluate fixtures and equipment in the commercial/industrial properties that need to be acquired. At this time it is uncertain what properties in the proposed project area need furniture, fixture and equipment appraisals. Notwithstanding, it is my belief that Mr. Hjelmstrom can provide appraisals of the furniture, fixtures and equipment in an amount not to exceed \$7,000.00.

DM:sp  
70556

cc: Jim Cleary

OVERLAND  
RESOURCES

September 28, 2001

Mr. Duff Murphy  
Oliver, Vose, Sandifer, Murphy & Lee  
281 South Figueroa Street, 2<sup>nd</sup> Floor  
Los Angeles, California 90012

Subject: Right of Way Acquisition within the City of Cathedral City

Dear Duff,

Thank you for allowing us to provide this proposal for right-of-way services related to the above mentioned project. This letter is our proposal to you and serves as our letter of commitment to perform the services described herein.

Project Understanding

The Redevelopment Agency of the City of Cathedral City desires to acquire approximately forty (40) parcels of land south of East Palm Canyon Drive, within close proximity to the Civic Center. As Project Coordinator, you will select and contract the acquisition consultants. The services we propose to provide, therefore, are **Right of Way Acquisition and Coordination**.

Scope of Work:

Acquisition activities will be in compliance with the Uniform Relocation and Real Property Acquisition Policies Act (as amended), and California Eminent Domain Law. Tasks associated with the public acquisition of real property include preparation of all offers to purchase, including statements of just compensation and appraisal summaries; presenting each owner with the Agency's offer to purchase the needed right of way; conducting integrative negotiations with each property owner or representative to identify issues and barriers to reaching settlements (if any); preparing and modifying (as necessary) all acquisition contracts, deeds, and escrow instructions; coordinating the escrow activities; providing the Agency's Attorney with a complete acquisition/negotiation package to assist in the condemnation action (if necessary); providing regular status reports of progress; and attending regular management meetings as deemed necessary.

Required ancillary services and decisions to be provided by others include: Statement of public use and necessity for the project, determination that the project is in compliance with the general plan of the City, Environmental certification or exemption, preliminary title reports, approved current appraisals of real property and FF&E (if applicable), and any negotiating parameters that the Agency wishes to implement at this time for administrative settlements.



Mr. Duff Murphy  
September 28, 2001  
Page 2

Project Fees:

Overland's project fees are quoted on a fixed fee basis and will be billed monthly based on the percentage of the work completed as follows:

Acquisition Services (40 parcels @ \$2,000 each).....\$80,000

Additional parcels (if any) will be billed at a fixed rate of \$2,000 each.

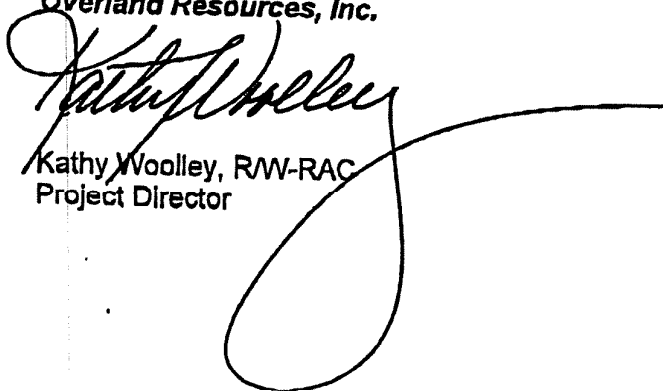
Acquisition services fee does not include extended negotiations or coordination beyond 30 hours on any particular parcel. Extended negotiations and coordination will be invoiced on a time and materials basis at our current hourly rates if approved in advanced by the client.

Upon receipt of written authorization to proceed and the necessary title reports and appraisals, I will initiate the acquisition process and forward to you the document formats for review/edit/approval.

Please call if you have questions. It is always a pleasure to work with you.

Sincerely,

Overland Resources, Inc.



Kathy Woolley, RW-RAC  
Project Director

**REDEVELOPMENT AGENCY OF  
CITY OF CATHEDRAL CITY  
AGENDA REPORT**

**SUBJECT: AUTHORIZATION TO PURCHASE SOUND AND LIGHTING  
EQUIPMENT FOR THE MARY PICKFORD THEATRE TO PROVIDE  
THE ABILITY OF LIVE PERFORMANCES.**

**DEPARTMENT:** Redevelopment Agency

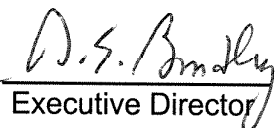
**MEETING DATE:** October 10, 2001

**Deadline for Action:** N/A

**CONTACT PERSON:** Susan Moeller

**APPROVED:**

  
Redevelopment

  
Executive Director

  
Finance

**RECOMMENDATION:**

It is recommended that the Agency Board authorize the purchase of sound and lighting equipment for Auditorium 10 of the Mary Pickford Theatre for an amount not to exceed \$44,500, which will provide the ability to have live performances.

**BACKGROUND:**

In 1997-98, Palm Canyon Partners ("PCP") approached the City about the use of the name "Pickfair" for the downtown project, and the naming of the multiplex theatre after "Mary Pickford". The idea came about as a result of the friendship between the Selleck family (one of the principals of PCP) and Buddy and Beverly Rogers. Initial discussions with the Rogers also included the use of some memorabilia related to Mary Pickford and "Pickfair" for use in the multiplex, for either a museum or an exhibit.

The idea to use the Pickfair/Mary Pickford names ultimately created a coherent theme and identity for the downtown core project that has proven to be both unique and unifying, for design as well as marketing purposes.

The Mary Pickford Theatre was always intended to be more than just a multiplex theatre but also to provide visitors with an experience. The original concept was to include a separate museum that could be operated and accessed independent of the Theatre but housed within the Theatre building. In February 2001, the Agency Board authorized the construction of the "Mary Pickford Theatre Salon" within the Theatre Lobby to display Mary Pickford memorabilia in the Salon as well as throughout the theatre complex, promoting the aura of the Pickford era and creating an experience for theatergoers that will entice them to return again and again.

Also in February 2001, the Agency Board approved the Celebrity License Agreement related to the use of memorabilia from the Pickford Estate and the names "Pickfair" and "Mary Pickford". Then in August 2001, the Agency Board authorized the execution of two loan agreements. The first agreement is between the Agency and the Mary Pickford Foundation for the use of a ball gown worn by Mary Pickford in the movie "Dorothy Vernon of Haddon Hall". The second loan agreement is between the Agency and the Foundation for More Livable Communities for the use of two Rodin antique watercolor and pencil drawings and three antique samplers. The gown, drawings, and samplers, will be displayed with other memorabilia in the Mary Pickford Exhibit currently being constructed in the Mary Pickford Theatre lobby.

In addition to the memorabilia, one of the fourteen auditoriums in the Theatre was designed and constructed to allow live performances providing the visitors with another experience within the Mary Pickford Theatre. During the negotiation of the Third Amended and Restated Disposition and Development Agreement and the Redevelopment Assistance Agreement with Palm Canyon Partners and North American Cinemas the use of auditoriums for special purposes and live performances was discussed and made part of both agreements. It was agreed that the costs for any improvements that were not considered to be standard furniture, fixtures and equipment for a movie theater would be the responsibility of the Agency.

However, North American Cinemas did agree to pay for certain costs not normally included in a standard multiplex movie theater. They paid for the design and specifications of the theatrical lighting and sound reinforcement equipment, as well as the purchase and installation of special audio equipment. This allows the equipment required for live performances to operate in conjunction with the equipment already installed and operating.

#### **ANALYSIS:**

During the construction of the Theatre it was anticipated that improvements necessary to provide live performances in Auditorium 10 would be constructed at the time the auditorium was being fixturized with the carpet, seats, drapery, architectural lighting fixtures and acoustical sound boards. However, the accelerated schedule to open the theatre and some of the delays the developer was encountering with their general contractor postponed the installation. Fixturizing the auditorium with the recommended theatrical lighting and sound reinforcement equipment would have further delayed the opening of Auditorium 10, which is one of the two premier auditoriums in the theatre that provides THX quality sound experience in the entire Coachella Valley.

Therefore, agency staff, the developer, and theatre operator decided it was in the best interest for everyone to only install the additional electrical panel and floor conduits from the projection booth to the floor, and delay the installation of the additional electrical conduits, sound and lighting equipment until proposal(s) were received from individual(s) who wished to utilize the auditorium for live performances.

The operator has had several inquiries from a number of individuals and organizations wanting to do live performances. Discussions are underway with several individuals and organizations.

North American, Cinemas D & K Productions and California Stage & Film Corporation have entered into a letter of understanding for the presentation of a unique musical production entitled "A Tribute to the Divas. This live musical is a tribute to Celine Dion, Cher, Diana Ross, Faith Hill, Liza Minelli, Madonna, and Tina Turner hosted by Marcel Forestieri as "Jay Leno". This production is scheduled for January through March, 2002.

The musical, however, is contingent upon the installation of the additional theatrical lighting and sound reinforcement equipment for an amount of Thirty-Three Thousand Six Hundred Two Dollars (\$33,600) plus an estimate of Two Thousand Dollars (\$2,000) for freight and Twenty-Five percent (25%) contingency of Eight Thousand Nine Hundred (\$8,900) for a total of Forty-Four Thousand Five Hundred Dollars (\$44,500). D & K Productions and California Stage & Film Corporation is asking for no further assistance from the Agency other than the installation of this equipment.

Staff is proposing award of the work to Theatre Equipment Construction and Service Incorporated (T.E.C.S.) for the purchase and installation of the equipment because T.E.C.S. is the firm that designed and installed the sound and lighting system for all the auditoriums in the Mary Pickford Theatre. The area where the equipment is located is a restricted area. If T.C.E.S. is not selected the Agency would have to get permission from the operator for another sound and lighting firm to enter their projection area. In addition, T.E.C.S would have to be hired to oversee both the removal and re-installation of the acoustical sound boards, which also has to be approved by North American Cinemas.

Once all the proposed theatrical lighting and sound reinforcement equipment is installed North American Cinemas has agreed that all the movable equipment can be stored in the Mary Pickford Theatre. All the equipment will be owned by the Redevelopment Agency and can be removed if the Agency so desires in the future.

#### **FISCAL IMPACT:**

This action has one direct fiscal impact and may have an indirect impact too. The direct impact is of Forty-Four Thousand Five Hundred Dollars (\$44,500)) to be funded from the 2000 TAB Bond Proceeds, Account No. 311-8933-8802-6865 ("Miscellaneous Expenditures for Public Improvements"). The indirect impacts are anticipated in the receipt of increased sales and use taxes generated from improved business and additional special events in the downtown area. Furthermore, authorizing the purchase and installation of the sound and lighting equipment could provide for additional live performances for both profit and non-profit organizations that could offer substantial recognition and possible funds for the benefit of the Cathedral City Community.

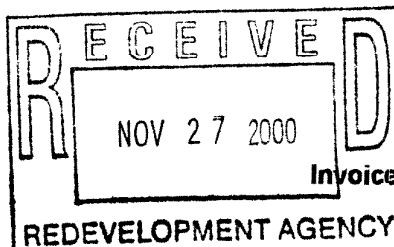
**RECOMMENDATION:**

It is recommended that the Redevelopment Agency Board authorize the purchase of the sound and lighting equipment for an amount not to exceed of Forty-Four Thousand Five Hundred Dollars (\$44,500), to be funded from the 2000 TAB Bond Proceeds, "Miscellaneous Expenditures for Public Improvements".

Attachments: Estimate Invoice Dated November 27<sup>th</sup>, 2000.  
Estimate Invoice Dated September 10<sup>th</sup>, 2001.  
Cross-section and site layout of Auditorium 10.

**T.E.C.S.**

PO Box 11188  
 Santa Rosa : CA 95406  
 (707) 537-1806 fax (707) 537-1806



Invoice No. M.Pic PerfArts1

**INVOICE****Customer**

Name Jim Cleary (760) 770-0399  
 Address 68-709 Avenida Lalo Guerrero  
 City Cathedral City State CA ZIP 92234  
 Phone (769) 770-0379

Date 11/27/00  
 Order No. J. Cleary  
 Rep Robert  
 FOB Factory

Qty	Description	Unit Price	TOTAL
4	Scrimmer sticks 2x1000 watts	\$814.27	\$3,257.08
4	Scrimmer sticks 4x500 watts	\$814.27	\$3,257.08
1	Lepricon 24 channel 2 scene preset lighting board	\$1,585.07	\$1,585.07
6	Altman 6" Fresnell	\$96.23	\$577.38
2	Altman 6x9 ellipsoidal	\$212.67	\$425.34
2	Altman 6x4.5 ellipsoidal	\$212.67	\$425.34
5	HX-602 lamps	\$35.43	\$177.15
7	BTL 500 lamps	\$29.08	\$203.56
1	Assorted cables and plugs	\$175.00	\$175.00
1	RQ 3014 Audio Mixer	\$739.08	\$739.08
3	Peavey Pvi corded Microphones	\$93.99	\$281.97
3	Peavey Procomm Cordless Microphones	\$586.32	\$1,758.96
1	Peavey Procomm Cordless Lavalier Microphone	\$601.60	\$601.60
1	Mobile Audio and Light Table	\$1,410.00	\$1,410.00
3	Microphone stands	\$75.20	\$225.60
42	feet of steel 2" pipe	\$3.52	\$147.84
1	Podium Proseries 2000	\$1,110.37	\$1,110.37
38	Labor to install pipes cables and terminations only	\$75.00	\$2,850.00
32	Labor to install and tune all other listed equipment	\$75.00	\$2,400.00
1	Assorted audio connectors	\$100.00	\$100.00

**Payment Details**

- ☒ Cash  
☐ Check  
☐ Credit Card

Name \_\_\_\_\_  
 CC # \_\_\_\_\_  
 Expires \_\_\_\_\_

SubTotal	\$21,708.42
Shipping & Handling	\$0.00
Taxes State	\$1,573.86
<b>TOTAL</b>	<b>\$23,282.28</b>

50% due upon acceptance of this  
 proposal, 50% due upon completion  
 work. Shipping charges are pending.

Pricing is good for 45 days from above date. All conduit and wiring for  
 stage, wall, and floor runs to be provided by electrical contractor.  
 Terminations will be performed by T.E.C.S.

Thanks for choosing "The State of the Art in Sight and Sound"

**T.E.C.S.**

PO Box 11188  
 Santa Rosa, CA 95406  
 (707) 537-1806 fax (707) 537-1806

Invoice No. M.Pic PerfArts1

**INVOICE****Customer**

Name Jim Cleary  
 Address 68-709 Avenida Lalo Guerrero  
 City Cathedral City State CA ZIP 92234  
 Phone (760) 770-0379 / Fax (760) 770-0399

Date 9/10/01  
 Order No. \_\_\_\_\_  
 Rep Robert  
 FOB \_\_\_\_\_

Qty	Description	Unit Price	TOTAL
	Addendum to Estimate (11/26/2000)	\$0.00	
16	Per diem	\$120.00	\$1,920.00
2	Travel	\$455.00	\$910.00
20	Additional Labor to install pipes and cables	\$75.00	\$1,500.00
20	Additional Labor to install and tune equipment	\$75.00	\$1,500.00
2	Scaffold rental (week)	\$320.00	\$640.00
2	Scaffold delivery	\$50.00	\$100.00
1	Remove modify and reinstall Wall Panels (Cin.Serv.)	\$3,750.00	\$3,750.00
<p>Jim, Please note that this Estimate does not include providing any line voltage wire or conduit and connections. Also, we have not included freight. Please call me for discussion. Thank You.          Kyle Conner (707) 523-1586 ex 14 / 974-9115</p>			

**Payment Details**

- ☒ Cash  
☐ Check  
☐ Credit Card

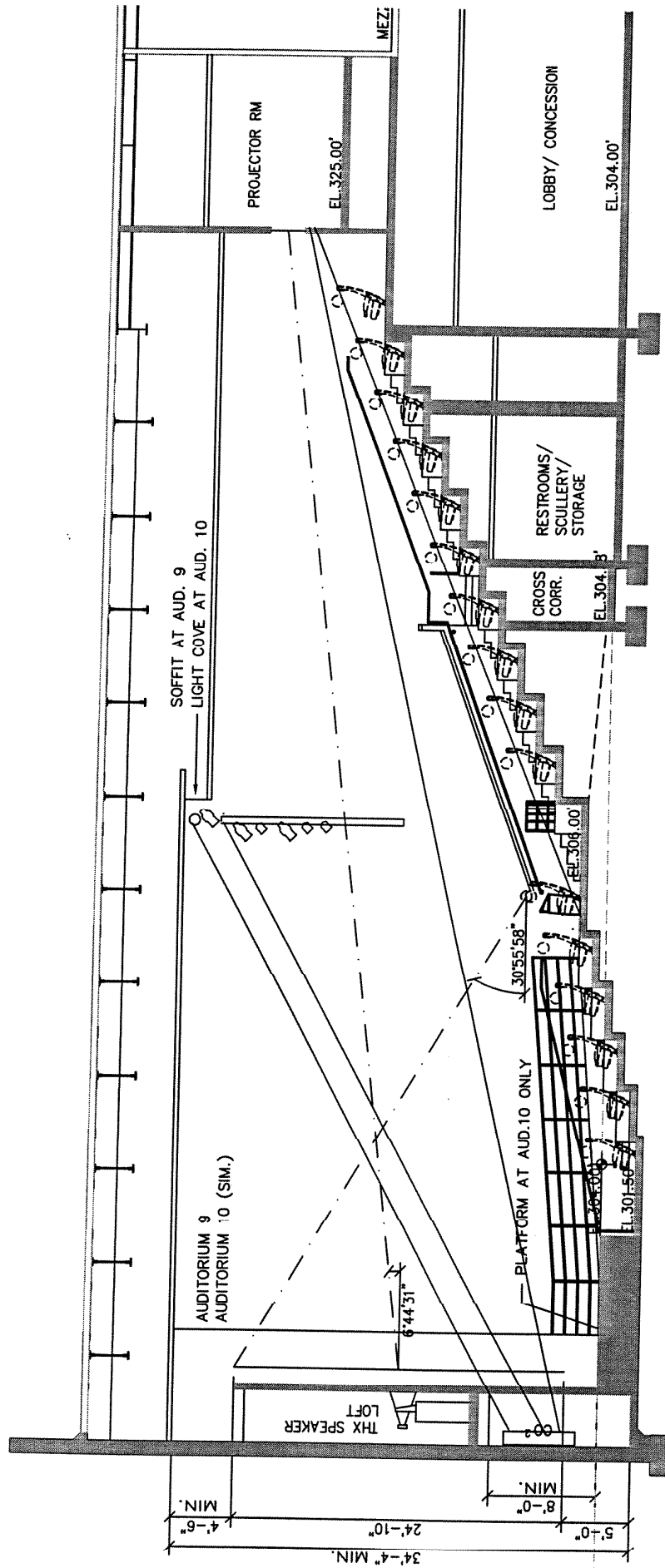
Name \_\_\_\_\_  
 CC # \_\_\_\_\_  
 Expires \_\_\_\_\_

SubTotal	\$10,320.00
Shipping & Handling	\$0.00
Taxes State	
Previous Proposal	\$23,282.28
<b>TOTAL</b>	<b>\$33,602.28</b>

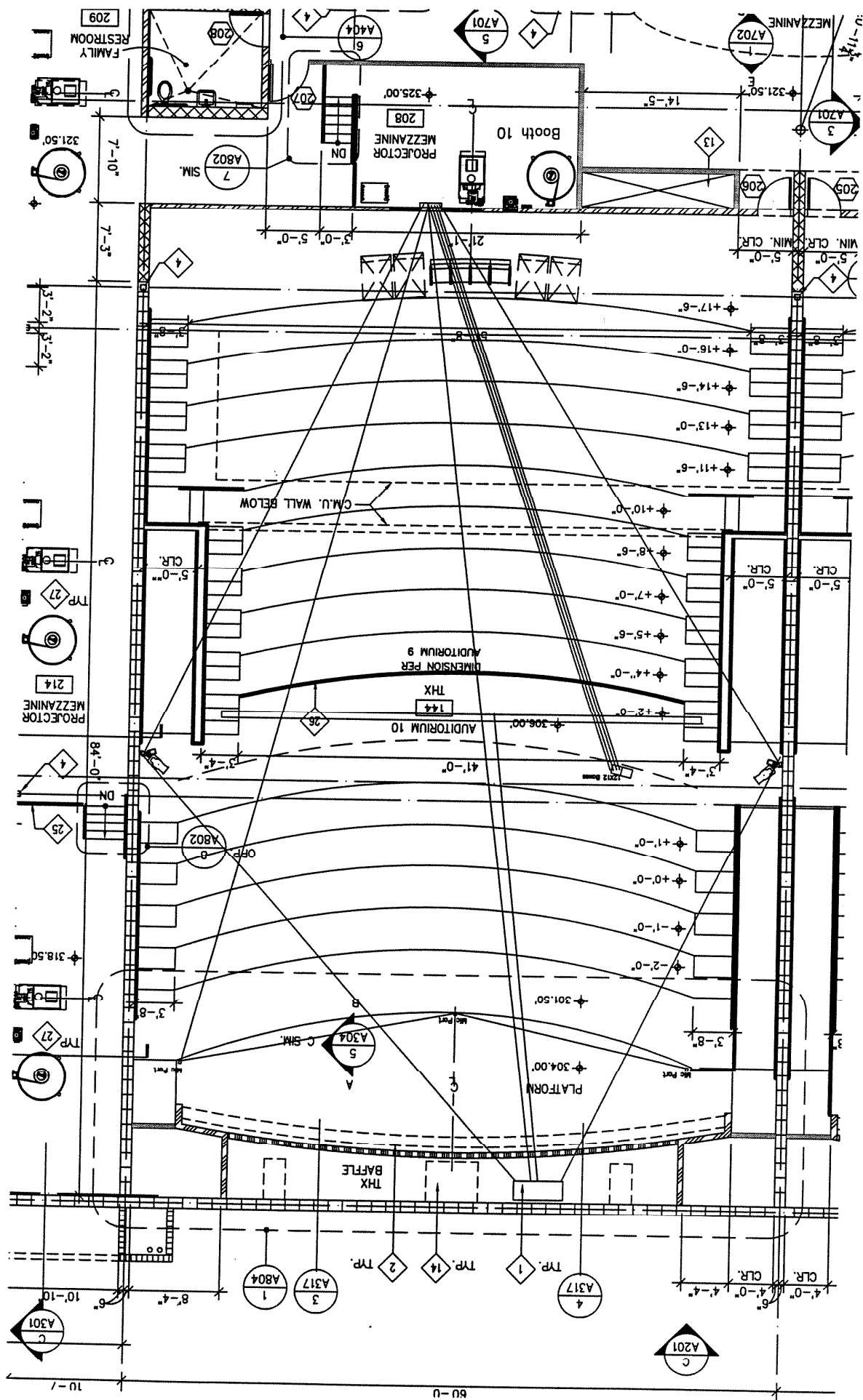
50% due upon acceptance of this proposal, 50% due upon completion work. Shipping charges are pending.

*This is an estimate only. Pricing is good for 45 days from above date. All conduit and wiring for stage, wall, and floor runs to be provided by electrical contractor. Terminations will be performed by T.E.C.S.*

*Thanks for choosing "The State of the Art in Sight and Sound"*







**CITY OF CATHEDRAL CITY  
CITY COUNCIL  
AGENDA REPORT**

**SUBJECT: Service Provider Agreement Cathedral City Senior Center**

**DEPARTMENT: Economic Development**

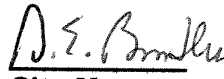
**MEETING DATE: October 10, 2001**

**CONTACT PERSON: Tony Barton**

**DEADLINE FOR ACTION: N/A**

**APPROVED:**

  
Department

  
City Manager

  
Finance

---

**EXECUTIVE SUMMARY:**

*The City Council has been providing a certain portion of funding for several community service organizations for a number of years. The primary reason for funding these service organizations has been to enable them to perform certain duties that the City may not otherwise be in a position to provide within the same cost structure. Traditionally, the Council has provided partial funding for the Senior Center, Boys and Girls Club and the Chamber of Commerce.*

*In recent months, the City Council has requested that a more detailed account of funding and services be implemented. In that request, a variety of "checks and balances" has been addressed. Foremost is the execution of a Service Provider Agreement. Within the agreement are a Scope of Services, compensation arrangements and a performance schedule.*

**RECOMMENDATION:**

That the City Council authorize the execution of the Service Provider Agreement between the City of Cathedral City and the Cathedral City Senior Center.

**BACKGROUND:**

The City of Cathedral City has participated with the Cathedral City Senior Center in a variety of activities over the past several years. Recently, the City Council expressed concerns over monitoring and performance of all of the Community Service Organizations and directed Staff to implement a more comprehensive and detailed funding program. The attached **Service Provider Agreement** is a result of input from the City Council, Staff, the Providers and the City Attorney. Of utmost concern was the City's position in the giving of public funds, commonly referred to as a "gift of public funds". Within the guidelines to funding any organization, group or contractor, it must be established that the funds are either for a specific purpose or for the public good. The Service Provider Agreement provides for a "contract" with the Senior Center for specific services.

**ANALYSIS:**

The Cathedral City Senior Center has requested \$48,888 to provide services to the City for fiscal year 2001/2002. This reflects the amount recommended by Staff.

The purpose of the Senior Center is to provide services for local Senior Citizens in the form of outreach, social, legal, medical and educational programs. In addition, the organization has been involved with a variety of City events and programs such as holiday activities, special events and volunteerism. The Senior Center serves the senior citizen community as a whole by providing services that promote healthy and active lifestyles for seniors and therefore, greatly contributes to the quality of life issues in our community.

Specifically the agreement addresses the continued support of the following programs: Social/Recreation, medical and legal, educational and case management outreach.

The funding sources for the Senior Center comes from a variety of activities and venues. Including; membership dues, special events, contributions and contracts with the City of Cathedral City. The expenditures for the Senior Center in 2000 were \$262,000. Historically, the City has provided funding for the Center for a number of years. Most recent figures show the following funding patterns; 1995/96 - \$56,000, 1996/97 - \$56,000, 1997/98 - \$56,000, 1998/99 - \$56,000, 1999/00 - \$48,888 and 2000/2001 - \$48,888.

It is Staff's opinion the Senior Center has performed well in the past and that they have provided all of the services they have promised. The Staff at the Senior Center are highly qualified individuals that have extensive backgrounds in gerontology, outreach and office management.

It is Staff's opinion that the Cathedral City Senior Center is financially responsible and has a proven track record of providing detailed audits of their operations upon demand. In addition, Staff believes that the Senior Center is capable, willing and able to perform the functions of the proposed agreement and in fact has already performed some of the initial work on several of the proposals.

**ALTERNATIVES:**

There are a variety of alternatives available to the City Council. Those include partial to no funding on any level that the Council desires.

**FISCAL IMPACT:** \$48,888 – Community Organizations

**ATTACHMENTS:**

Service Provider Agreement

Cover Letter

Scope of Services

Performance Schedule

Fourth Quarter Report 2000/2001

**SERVICE PROVIDER AGREEMENT  
BY AND BETWEEN  
THE CITY OF CATHEDRAL CITY  
AND  
Cathedral City Senior Center**

**THIS SERVICE PROVIDER AGREEMENT, is made and entered into this 10th day of October, 2001, by and between the City of Cathedral City, a municipal corporation located in the County of Riverside, State of California, hereinafter referred to as the "City", and Cathedral City Senior Center, a California [501(c)(3)] nonprofit corporation, hereinafter referred to as "Service Provider".**

**RECITALS:**

**WHEREAS**, the Cathedral City Senior Center wishes to continue to provide services to the City of Cathedral City as the City's provider of Senior Services; and

**WHEREAS**, in light of the facts set forth above, the City desires to retain the services of a qualified service provider to provide, on an independent contractor's basis, services in connection with the Cathedral City Senior Center and the services that are to be provided to the City as a whole as outlined in the Scope of Services.

**NOW THEREFORE, IN CONSIDERATION OF THE COVENANTS, CONDITIONS AND PROMISES CONTAINED HEREIN AND FOR SUCH OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:**

**Section 1.                    RECITALS**

The Recitals set forth above are true and correct and are hereby incorporated into this Agreement by this reference, as though set forth herein.

**Section 2.                    SCOPE OF SERVICES**

Service Provider shall provide to the City those services as set forth in the "Scope of Services", attached hereto as Exhibit "A", and incorporated herein by this reference as though set forth at length.

**Section 3.                    COMPENSATION**

The City shall pay a total amount of **\$48,888** for the services rendered by Service Provider pursuant to this Agreement.

**Section 4.                    PAYMENT SCHEDULE**

The City shall pay Service Provider in quarterly payments beginning July 1, 2001 and commencing every quarter thereafter until the total sum has been paid. Payment Schedule should be as follows; Payment 1 – On or about July 1, 2001. Payment 2 – On or about October 1, 2001. Payment 3 – On or about January 1, 2002. Payment 4 – On or about April 1, 2002. All Payments are subject to the Quarterly Reports submittal process and approvals.

**Section 5.                    PERFORMANCE SCHEDULE**

Service Provider shall perform those services set forth in the Scope of Services pursuant to the "Performance Schedule" attached hereto as Exhibit "B", and incorporated herein by this reference as though set forth at length.

**Section 6.                    TERM OF AGREEMENT**

This Agreement shall be for a term of 12 months, commencing on July 1, 2001.

**Section 7.                    INDEPENDENT CONTRACTOR'S STATUS**

Service Provider shall at all times during the term of this Agreement perform the services described in this Agreement as an independent contractor.

**Section 8.                    REPRESENTATIONS      AND      ACKNOWLEDGMENTS  
REGARDING INDEPENDENT CONTRACTOR'S STATUS OF  
SERVICE PROVIDER**

a.      Service Provider represents and acknowledges the following:

(1)      The City is not required to provide any training or legal counsel to Service Provider or its employees in order for Service Provider to perform the services described in this Agreement.

(2)      Performance of the services described in this Agreement do not have to be integrated into the daily business operations of the City.

(3)      The services described in this Agreement can be performed without the use of City equipment, materials, tools or facilities unless otherwise provided under a separate agreement.

(4)      Nothing in this Agreement shall be interpreted to imply that the City must maintain any contractual relationship with Service Provider on a continuing basis after termination of this Agreement.

(5)      The City will not be requested or demanded to assume any liability for

the direct payment of any salary, wage or other such compensation to any person employed by Service Provider to perform the services described in this Agreement.

(6) Service Provider shall not at any time or in any manner represent that it or any of its officers, employees, or agents are "employees" of the City.

b. The City represents and acknowledges the following:

(1) Service Provider is not required to comply with daily instructions from City staff with respect to when, where or how Service Provider must perform the services set forth in this Agreement.

(2) Service Provider is solely responsible for determining who, under the supervision or direction of Service Provider, will perform the services set forth in this Agreement.

(3) The City will not hire, supervise or pay any assistants working for Service Provider pursuant to this Agreement.

(4) Nothing in this Agreement shall be interpreted to imply that the Service Provider must maintain any contractual relationship with the City on a continuing basis after termination of this Agreement.

(5) It is the sole responsibility of Service Provider to set the hours in which Service Provider performs or plans to perform the services set forth in this Agreement.

(6) Service Provider is not required to devote full time to the business operations of the City in order to perform the services set forth in this Agreement.

(7) Unless deemed necessary under certain circumstances, Service Provider is not required to perform the services set forth in this Agreement at City Hall or on City-owned property.

(8) Other than attendance at required public meetings and public hearings and complying with procedural requirements set forth by law, Service Provider is not required to perform the services set forth in the Agreement in any particular order or sequence.

(9) Nothing in this Agreement shall be interpreted to preclude Service Provider from working for other persons or firms, provided that such work does not create a conflict of interest.

## **Section 9. NOT AGENT OF THE CITY**

a. Nothing contained in this Agreement shall be deemed, construed or represented by the City or Service Provider or by any third person to create the

relationship of principal and agent.

b. Service Provider shall have no authority, expressed or implied, to act on behalf of the City in any capacity whatsoever as an agent, nor shall Service Provider have any authority, expressed or implied, to bind the City to any obligation whatsoever.

#### **Section 10. QUALIFICATIONS**

Service Provider represents that it has obtained and will maintain at all times during the term of this Agreement all professional and/or business licenses, certifications and/or permits necessary for performing the services described in this Agreement.

#### **Section 11. WARRANTY**

Service Provider warrants that all services will be performed in a competent, professional and satisfactory manner in accordance with the standards prevalent in the industry for such services.

#### **Section 12. FAMILIARITY WITH WORK**

a. By executing this Agreement, Service Provider warrants that (1) it has thoroughly investigated and considered the work to be performed, (2) it has investigated the issues, regarding the scope of services to be provided, (3) it has carefully considered how the work should be performed, and (4) it fully understands the facilities, difficulties and restrictions attending performance of the work under this Agreement.

b. Should Service Provider discover any latent or unknown conditions materially differing from those inherent in the work or as represented by the City, it shall immediately inform the City of such fact and shall not proceed except at Service Provider's risk until written instructions are received from the City Manager or his or her designee.

#### **Section 13. CONFLICTS OF INTEREST**

Service Provider covenants that neither it nor any officer of the corporation has any interest, nor shall it acquire an interest, directly or indirectly, which would conflict in any manner with the performance of Service Provider's services under this Agreement.

#### **Section 14. POLITICAL ACTIVITY**

None of the proceeds of any funding received from the City pursuant to this Agreement shall be used for political activities unless such activities are related to a legislative matter that is officially supported by the City Council via a duly adopted Resolution of Support of the City Council and the proceeds are used to advance or promote the City Council's official position on the subject legislative matter.

#### **Section 15. COMPLIANCE WITH LAWS**

Service Provider shall comply with all local, state and federal laws and regulations applicable to the services required hereunder, including any rule, regulation or bylaw governing the conduct or performance of Service Provider and/or its employees, officers, or board members.

**Section 16.**                    **NONDISCRIMINATION**

a. Service Provider shall comply with the City's employment related nondiscrimination policies as set forth in the City's Municipal Code, as it may be amended from time to time.

b. Service Provider acknowledges that the City's employment related nondiscrimination policies prohibit discrimination on the basis of an individual's sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation, and domestic partnership status.

**Section 17.**                    **COMPREHENSIVE GENERAL AND AUTOMOBILE LIABILITY INSURANCE**

Service Provider shall procure and maintain at its own expense, during the term of this Agreement, comprehensive general liability insurance of not less than One Million Dollars (\$1,000,000.00) combined single limit per occurrence for bodily injury, personal injury and property damage.

**Section 18.**                    **WORKERS' COMPENSATION INSURANCE**

a. Service Provider shall procure and maintain at its own expense, during the term of this Agreement, workers' compensation insurance, providing coverage as required by the California State Workers' Compensation Law.

b. If any class of employees employed by the Service Provider pursuant to this Agreement is not protected by the California State Workers' Compensation Law, Service Provider shall provide adequate insurance for the protection of such employees to the satisfaction of the City.

**Section 19.**                    **LIABILITY INSURANCE**

Service Provider shall procure and maintain through the entire term of this Agreement errors and omissions, professional liability, or directors and officers insurance in an amount deemed acceptable by the City Manager.

**Section 20.**                    **ADDITIONAL NAMED INSURED**

Notwithstanding any inconsistent statement in any required insurance policies or any subsequent endorsements attached thereto, the protection offered by all policies, except for Workers' Compensation, errors and omissions, professional liability or directors



and officers coverage, shall bear an endorsement whereby it is provided that, the City and its officers, employees, servants, volunteers and agents and independent contractors, including without limitation, the City Manager, Deputy City Manager, Administrative Services Director, and City Attorney, are named as additional insureds.

**Section 21.**                    **WAVIER OF SUBROGATION RIGHTS**

Service Provider shall require the carriers of all required insurance policies to waive all rights of subrogation against the City and its officers, volunteers, employees, contractors and subcontractors.

**Section 22.**                    **PROOF OF INSURANCE COVERAGE**

a.        Service Provider shall secure from a good and responsible company or companies authorized to do insurance business in the State of California the policies of insurance required by this Agreement and furnish to the City Clerk of the City certificates of said insurance on or before the commencement of the term of this Agreement.

b.        The certificates of insurance shall bear an endorsement whereby it is provided that, in the event of cancellation or amendment of any required insurance policy for any reason whatsoever, the City shall be notified by mail, postage prepaid, not less than thirty (30) days before the cancellation or amendment is effective.

c.        The certificates of insurance shall bear an endorsement whereby it is provided that the respective insurance policy shall not be terminated or expire without first providing thirty (30) days' written notice to the City of such termination or expiration.

d.        The certificates of insurance shall indicate that the respective insurance policy will be maintained throughout the term of this Agreement.

e.        Within thirty (30) days of the execution of this Agreement, Service Provider shall furnish certified copies of all required insurance policies and endorsements.

**Section 23.**                    **TERMINATION OR SUSPENSION**

a.        This Agreement may be terminated or suspended without cause by either party at any time provided that the respective party provides the other party at least thirty (30) business days' written notice of such termination or suspension.

b.        This Agreement may be terminated or suspended with cause by either party at any time provided that the respective party provides the other party at least ten (10) business days' written notice of such termination or suspension.

c.        In the event of a termination of this Agreement under this Section 15, Service Provider shall provide all documents, reports, data or other work product developed in performance of the Scope of Services of this Agreement to the City, within ten (10) calendar days of such termination and without additional charge to the City.

**Section 24.                    TIME OF THE ESSENCE**

Time is of the essence in the performance of this Agreement.

**Section 25.                    INDEMNIFICATION**

a.        Service Provider shall defend, indemnify and hold harmless the City, its officers, employees, representatives and agents, from and against those actions, suits, proceedings, claims, demands, losses, costs and expenses, including legal costs and attorneys' fees, for any personal injuries, deaths, property damage (including property owned by the City) which may arise out of Service Provider's negligent performance of the services described in this Agreement, unless such losses or damages are proven to be caused by the City's own negligence or that of its officers or employees.

b.        The City does not, and shall not, waive any rights that it may have against Service Provider under this Section, because of the acceptance by the City, or the deposit with the City, of any insurance policy or certificate required pursuant to this Agreement. The hold harmless and indemnification provisions of this Section shall apply regardless of whether or not said insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense described herein.

**Section 26.                    REPORTS**

Service Provider shall periodically prepare and submit to the City Manager or his or her designee such reports concerning Service Provider's performance of the services required by this Agreement on a quarterly basis commencing one month of the effective date as set forth in the opening paragraph of this Agreement.

**Section 27.                    RECORDS**

a.        Service Provider shall keep such books and records as shall be necessary to perform the services required by this Agreement and enable the City Manager or his or her designee to evaluate the cost and the performance of such services.

b.        Books and records pertaining to costs shall be kept and prepared in accordance with generally accepted accounting principals.

c.        The City Manager or his or her designee shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

d.        Records and supporting documents pertaining to the use of funds paid to service provider hereunder shall be retained by Service Provider and made available to the City Manager or his or her designee for purposes of performing an audit for a period of five (5) years from the date of termination of this Agreement.

**Section 28. OWNERSHIP OF DOCUMENTS**

a. Upon completion of any document or report required to be provided by Service Provider in the course of performing any of the services described in this Agreement, or upon earlier termination of this Agreement, all completed original documents and/or reports and any designs, drawings, calculations, diskettes, computer files, notes, and other related materials prepared or produced in connection with such documents or reports shall become the sole property of the City and may be used and/or reused on any other project by the City without the permission of Service Provider.

b. All computer files produced in connection with the services described in this Agreement shall be provided to the City in a form and format that is compatible with the City's existing computer equipment and software.

**Section 29. CONFIDENTIALITY**

a. Any and all documents and information obtained from the City or prepared by Service Provider for the City shall be kept strictly confidential unless otherwise provided by law.

b. The drawings, specifications, reports, records, documents and other materials prepared by Service Provider in the performance of services under this Agreement shall not be released publicly without the prior written approval of the City Manager or as required by law.

c. Service Provider shall not disclose to any other entity or person any information regarding the activities of the City, except as required by law or as authorized by the City.

**Section 30. PRINCIPLE REPRESENTATIVES**

a. Lynne Kneifel is designated as the principle representative of Service Provider for purposes of communicating with the City on any matter associated with the performance of the services set forth in this Agreement.

b. The Parks and Recreation Manager shall be the principle representative of the City for purposes of communicating with Service Provider on any matter associated with the performance of the services set forth in this Agreement.

c. Either party may designate in another individual as its principle representative by giving written notice of such designation to the other party.

d. It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Service Provider and devoting sufficient time to

personally supervise the services hereunder.

**Section 31.                    MODIFICATIONS AND AMENDMENTS**

This Agreement may be modified or amended only by a written instrument signed by both parties

**Section 32.                    ENTIRE AGREEMENT**

a.        This Agreement supersedes any and all other agreements, either oral or written, between the City and Service Provider with respect to the subject matter of this Agreement.

b.        This Agreement contains all of the covenants and agreements between the parties with respect to the subject matter of this Agreement, and each party to this Agreement acknowledges that no representations, inducements, promises, or agreements have been made by or on behalf of any party except those covenants and agreements embodied in this Agreement.

c.        No agreement, statement, or promise not contained in this Agreement shall be valid or binding.

**Section 33.                    AMBIGUITIES**

This Agreement is in all respects intended by each party hereto to be deemed and construed to have been jointly prepared by the parties and the parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against either of them. Except as expressly limited by this paragraph, all of the applicable rules of interpretation of contract shall govern the interpretation of any uncertainty or ambiguity of this Agreement.

**Section 34.                    NOTICES**

a.        Any notice to be provided pursuant to this Agreement shall be in writing, and all such notices shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid, and addressed to the parties as follows:

To the City:	Don E. Bradley, City Manager City of Cathedral City 68-700 Avenida Lalo Guerrero Cathedral City, California 92234
--------------	--

To Service Provider:	Lynne Kneifel, Executive Director Cathedral City Senior Center 68-727 E. Palm Canyon Dr. Cathedral City, CA 92234
----------------------	--

b. Notices, payments and other documents shall be deemed delivered upon receipt by personal service or as of the second (2nd) day after deposit in the United States mail.

**Section 35. NON-LIABILITY OF CITY OFFICERS AND EMPLOYEES**

No officer or employee of the City shall be personally liable to Service Provider, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Service Provider or to its successor, or for any breach of any obligation of the terms of this Agreement.

**Section 36. REVIEW BY ATTORNEYS**

Each party hereto has had its attorneys review this Agreement and all related documents. Each party hereto has consulted with its attorneys and has negotiated the terms of this Agreement based on such consultation.

**Section 37. WAIVER**

a. No waiver shall be binding, unless executed in writing by the party making the waiver.

b. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision.

c. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of the right to compel enforcement of the remaining provisions of this Agreement.

**Section 38. ASSIGNMENT**

a. The experience, knowledge, capability and reputation of Service Provider, its principals and employees were a substantial inducement for the City to enter into this Agreement.

b. This Agreement shall not be assigned by either party without prior written consent of the other party.

**Section 39. CARE OF WORK**

The performance of services by Service Provider shall not relieve Service Provider from any obligation to correct any incomplete, inaccurate or defective work at no further cost to the City, when such inaccuracies are due to the negligence of Service Provider.

**Section 40. CAPTIONS AND HEADINGS**

The captions and headings contained in this Agreement are provided for identification

purposes only and shall not be interpreted to limit or define the content of the provisions described under the respective caption or heading.

**Section 41.**                    **SUCCESSORS, HEIRS AND ASSIGNS**

Except as otherwise expressly provided herein, this Agreement shall be binding upon the successors, endorsees, assigns, heirs, and personal representatives of each of the parties to this Agreement and, likewise, shall inure to the benefit of the successors, endorsees, assigns, heirs, and personal representatives of each of the parties.

**Section 42.**                    **GENDER**

In this Agreement, unless the context clearly requires otherwise, the masculine, feminine and neuter genders and the singular and the plural shall include one another.

**Section 43.**                    **SEVERABILITY**

If any one or more of the sentences, clauses, paragraphs or sections contained herein is declared invalid, void or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall not affect, impair or invalidate any of the remaining sentences, clauses, paragraphs or sections contained herein.

**Section 44.**                    **GOVERNING LAW**

The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties under this Agreement, shall be construed pursuant to and in accordance with California law.

**Section 45.**                    **DEFAULT**

a.        Failure or delay by any party to this Agreement to perform any material term or provision of this Agreement shall constitute a default under this Agreement; provided however, that if the party who is otherwise claimed to be in default by the other party commences to cure, correct or remedy the alleged default within fifteen (15) calendar days after receipt of written notice specifying such default and shall diligently complete such cure, correction or remedy, such party shall not be deemed to be in default hereunder.

b.        The party which may claim that a default has occurred shall give written notice of default to the party in default, specifying the alleged default. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default; provided, however, the injured party shall have no right to exercise any remedy for a default hereunder without delivering the written default notice, as specified herein.

c.        Any failure or delay by a party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies associated with a default.

d.        In the event that a default of any party to this Agreement may remain uncured for more than fifteen (15) calendar days following written notice, as provided above, a "breach" shall be deemed to have

occurred. In the event of a breach, the injured party shall be entitled to seek any appropriate remedy or damages by initiating legal proceedings.

**Section 46. CUMULATIVE REMEDIES**

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default of any other default by the other party.

**Section 47. VENUE**

All proceedings involving disputes over the terms, provisions, covenants or conditions contained in this Agreement and all proceedings involving any enforcement action related to this Agreement shall be initiated and conducted in the applicable court or forum in Riverside County, California.

**Section 48. ATTORNEY'S FEES**

In the event any action, suite or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, the prevailing party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, from the losing party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

**Section 49. EFFECTIVENESS OF AGREEMENT**

This Agreement shall not be binding upon the City, until signed by the authorized representative(s) of Service Provider, approved by the City Council of the City of Cathedral City, approved as to form by the City Attorney for the City of Cathedral City and executed by the City Manager of the City of Cathedral City.

**Section 50. REPRESENTATIONS OF PARTIES AND PERSONS EXECUTING AGREEMENT**

(a) Each of the parties to this Agreement hereby represents that all necessary and appropriate actions of their governing bodies have been taken to make this Agreement a binding obligation of each of the parties hereto.

(b) The persons executing this Agreement warrant that they are duly authorized to execute this Agreement on behalf of and bind the parties each purports to represent.

**IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates written below.**

**City of Cathedral City:**

**By: \_\_\_\_\_**  
**Donald E. Bradley, City Manager**

**By:                     *Dudley Haines***  
**Dudley Haines, Risk Manager**

**Cathedral City Senior Center:**

**By: \_\_\_\_\_**  
**Lynne Kneifel, Executive Director**

**By: \_\_\_\_\_**  
**Rose Glitzer, President**

**ATTEST:**

**By: \_\_\_\_\_**  
**Donna M. Velotta, City Clerk**

**By: \_\_\_\_\_**  
**Allen Olson, Treasurer**

**APPROVED AS TO FORM:**

**By: \_\_\_\_\_**  
**Steven B. Quintanilla, City Attorney**





# THE SENIOR CENTER *of Cathedral City*

*"Dedicated To Improving The Quality Of Life In Our Senior Years"*

August 27, 2001

Mr. Don Bradley, City Manager  
City of Cathedral City  
68-700 Avenida Lalo Guerrero  
Cathedral City, California 92234

Dear Don,

Thank you and the City Council for the opportunity to let the Cathedral City Senior Center to be able to reflect the much needed, ever increasing services to the community.

We are a very unique center for we not only are dedicated to serving seniors but we serve families as well. It seems the Hispanic community has entrusted us to be of service to them. It has been a long time coming but we have succeeded.

We, are a friend to the Police and Fire Departments as well. Our seniors have grown to trust us and they call us for everything. Sometimes it can be handled easily other times it is an emergency situation.

We have an excellent reputation here in the Coachella Valley and with that reputation the City of Rancho Mirage has opened their hearts and minds regarding outreach within their community. The City has generously given \$20,000 this fiscal year to conduct "Case Management Outreach" within their community. They praised us at the Council meeting of July 19, 2001, but with that came a comment from one of the council people that if Cathedral City did not fund the senior center they probably would not support us as well.

We sincerely hope that the City of Cathedral City will continue to be a substantial supporter of the Cathedral City Senior Center.

Again we thank you for the opportunity to let you know how important and needed we are here in the community of Cathedral City. We feel you can be very proud of the work we are doing and the endless assistance to seniors and families in need.

Sincerely,

Lynne Kneifel,  
Executive Director

# Exhibit “A”

## Scope of Services

## CATHEDRAL CITY SENIOR CENTER

### PROGRAMS AND SERVICES

#### SOCIAL/RECREATION

This past year we have provided over 822 social and recreational programs in which approximately 11,100 seniors participated. The majority of these events are provided at no cost or donation requested basis.

#### MEDICAL/LEGAL

One of the most difficult things for seniors living on a fixed income is to receive legal or medical advice at no cost. We provide such services to individuals on a donation basis by medical check-ups, hearing test, stroke prevention tests, flu shots, eye exams and more. We also provide at no cost/donation only legal assistance, social security/medicare, tax assistance and HMO consultations. During the past year over 1,990 seniors participated in approximately 335 such services.

#### EDUCATIONAL

One of our goals is to provide programs to assist senior's so they will be well informed about subjects concerning them and to educate them with new skills to better their lives.

During the past twelve months we have presented over 300 programs and classes in which approximately 9,400 seniors participated.

#### HOLIDAYS

Holidays are the most difficult time for seniors, we try to ease their loneliness by having holiday parties and entertainment. This year we had 30 such activities.

Our goal this year is to increase services and events by 20%. (See attached)

## CATHEDRAL CITY SENIOR CENTER

### “CASE MANAGEMENT OUTREACH”

The Cathedral City Senior Center has offered an Outreach Program to the elderly and handicapped here in Cathedral City for over 20 years. We truly believe the Outreach Department is and always will be the “HEART OF THE CENTER.” We are the only Senior Center in the Coachella Valley providing “Case Management Outreach” solely by donations and grants. At years’ end, we will have approximately 2000 active homebound seniors on file.

The Outreach Program assists seniors in many ways. Visitations, bill and letter writing, family correspondence, information and referral service, always keeping the seniors aware that there is someone to check on them if needed. The object of the program is to keep the seniors in their own homes for as long as possible until a care facility is needed. We do not stop there; we continue to contact the individual until they move out of the area or until their demise.

We are very enthusiastic about the only “Postal Alert” program in the valley. When mail accumulates in a senior’s mailbox the mail carriers alerts the Postmaster and in turn the Postmaster calls us and we investigate and provide assistance if needed.

Something new has been added to our outreach services; a seven passenger van to transport homebound seniors to our center for activities and parties as well as health seminars, flu shots and to the County Nutrition which is now housed at the our center.

The Cathedral City Senior Center will continue to locate and serve the vulnerable, frail elderly, as well as the active seniors, bringing these individuals the services available through the center and outside agencies.

Based on other grants for Outreach and the most recent from Rancho Mirage we average \$33.00 per first time visit. In the City of Cathedral City we have on file 1511 seniors with an increase of 75% per month. This would be a cost of \$49,863.00.

Other Outreach Services are;

Activity	Cost	Served
Annual Flu Shots	Donation (Co. project)	725
Spanish Outreach	"	550
Drug & Alcohol Info/Ref	"	on-going
Co. Office on Aging Nutrition	"	new
Renter's Homeowner Assist	"	on-going
Walk Ins	"	1,200
Follow-ups	"	4,200
Referrals	"	1,100
Information	"	17,300

# Exhibit “B”

## Performance Schedule

**CATHEDRAL CITY SENIOR CENTER**  
**Activities for 2001/2002**

<u>ACTIVITY</u>	<u>COST</u>	<u>ATTENDANCE</u>
Video Exercise	\$2.00	302
Chair Exercise	\$2.00	312
P.A.C.E. (People with Arthritis Can Exercise)	\$2.00	364
Tai-Chi	\$6.00	NEW
Yoga	\$6.00	NEW
Beginning Line Dancing	\$5.00	1560
Intermediate Line Dancing		
Advanced Line Dancing		
Theater Tap Dance	\$2.00	250
Theater Jazz Dance	\$2.00	250
Bingo	\$2.00	2080
Monthly Birthday Parties	N/C	Varies
Monthly Potlucks	Dish + \$1.00	960
Musical Gems	\$2.00	520
Party Bridge	\$2.00	1020
Art Classes	\$2.00	208
Blood Pressure	Donation	210
Coffee Klatch	\$1.00	252
Pinochle	\$2.00	NEW
Square Dancing	\$5.00	2540
Computer Classes	Being Cancelled	--
Anger Management	\$5.00	95
Drug and Alcohol Information and Referral	Donation	On Going
Legal Advice with attorney Scott Sklar	Donation	433
Precision Health Screenings (Carotid Artery Screening, Full panel Cholesterol, Ankle Brachial Index Screening and Abdominal Aortic Aneurysm Screening.)	Business Members	On Going
55 Alive, Driving Education By AARP	N/A	175
HICAP, Health Insurance Counseling Advocacy Program	N/C	NEW
County Office on Aging, Nutrition	Donation to County	\$2.00 NEW
Annual HMO Forums for general education to public	N/C	NEW
Guest Speakers on various subjects, Neighborhood Watch, First Aid, etc	N/C	NEW
Annual Holiday Parties, Christmas, Thanksgiving, New Years, etc	N/C.	320
Network with Coachella Valley to give information to		

Seniors in need (i.e. Senior Life Expo, Palm Springs)	N/C	
Yearly Nabisco Dinah Shore Putting Contest	N/C	200
Ongoing Fund Raising		
Major Fundraisers, "Golden Winterfest"		300
Business Members	per year \$300.00	23
Each Activity is separate – discount to member vs. non-member		

We have adopted a class from the Cathedral City	30 Students
Elementary School and they attend various activities	2 Teachers
here at the Center with our Seniors.	2 Aides

We encourage Donations for all activities and services which we provide here at the Center.



Schedule B

City of Cathedral City

Quarterly Report

April 1<sup>st</sup> through June 30, 2001

Senior Center Activities-----3903 attended

Educational

Computer Classes-----158 attended

Health

Blood Pressure-----173 attended

Precision Ultrasound-----146 attended

Living Trust Seminar-----19 attended

Legal

Lawyer-----189 attended

Parties

Volunteer Luncheon-----60 attended

Mother's Day Luncheon -----74 attended

Father's Day Luncheon-----60 attended

Outreach

Clients visited-----1013

Service Programs

Care for Edison-----60

Care for Gas-----35

Homeowners/Renters Assistance-----148

Memberships

New Business Members-----20

New Regular Members-----81

## **Senior Center of Cathedral City Activities**

Aerobic Exercise  
Chair Exercise  
Theater Tap Dance  
Theater Jazz Dance  
Tai Chi  
Bingo  
Party Bridge  
Art  
Blood Pressure  
Tours  
Coffee Klatch  
Beginning Line Dancing  
Intermediate Line Dancing  
Advanced Line Dancing  
Duplicate Bridge  
Square Dancing  
Computer Classes  
Annual Flu Shots  
Spanish Outreach  
Legal Advice with attorney Scott Sklar  
Precision Health Screenings-Carotid Artery (Stroke) Screening, Full Panel  
Cholesterol Ankle Brachial Index (Leg Circulation) Screening and  
Abdominal Aortic (Rupture) Aneurysm Screening  
Desert Hospital Health Screening  
55 Alive, Driving Education by AARP  
HICAP, Health Insurance Counseling Advocacy Program  
Income Tax Service  
County, Office on Aging  
Care Program to reduce basic rate on electric bill  
Care Program to reduce basic rate on gas bill  
H.E.A.P.  
Homeowners/Renters Assistance Program

---

Outreach:

With the purchase of the van, we have been able to transport 140 homebound seniors to and from our Center.

Annual Holiday Parties:

Halloween, Christmas, New Years, Valentines, St. Patrick's Day, etc.

Ongoing Fund Raisers:

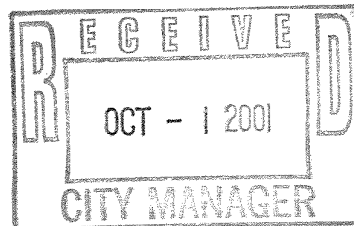
Major Fund Raisers, "October Fest", and Ray Willards' "Golf Tournament"



# THE SENIOR CENTER *of Cathedral City*

*"Dedicated To Improving The Quality Of Life In Our Senior Years"*

September 31, 2001



City of Cathedral City  
Attn: Don Bradley, City Manager  
68-700 Avenida Lalo Guerrero  
Cathedral City, Ca. 92234

Dear Mr. Bradley,

The Senior Center of Cathedral City is requesting the first quarter funds from the City.

If you have any questions or concerns, please call Lynne Kneifel or me at 321-1548.

Sincerely,

Maria R. Arcos  
Outreach Coordinator

cc: Lynne Kneifel

Schedule B

City of Cathedral City

Quarterly Report

July 1<sup>st</sup> through September 30, 2001

Senior Center Activities-----3952 attended

Educational

Computer Classes-----100 attended

Health

Blood Pressure-----187 attended

Precision Ultrasound-----158 attended

Living Trust Seminar-----25 attended

Legal

Lawyer-----200 attended

Parties

Volunteer Luncheon-----72 attended

Mother's Day Luncheon -----81 attended

Father's Day Luncheon-----70 attended

Outreach

Clients visited-----1123

Service Programs

Care for Edison-----78

Care for Gas-----53

Homeowners/Renters Assistance-----208

Memberships

New Business Members-----21

New Regular Members-----97

## **Senior Center of Cathedral City Activities**

Aerobic Exercise  
Chair Exercise  
Theater Tap Dance  
Theater Jazz Dance  
Tai Chi  
Yoga  
Bingo  
Party Bridge  
Art  
Blood Pressure  
Tours  
Coffee Klatch  
Beginning Line Dancing  
Intermediate Line Dancing  
Advanced Line Dancing  
Square Dancing  
Computer Classes  
Annual Flu Shots  
Spanish Outreach  
Legal Advice with attorney Scott Sklar  
Precision Health Screenings-Carotid Artery (Stroke) Screening, Full Panel  
Cholesterol Ankle Brachial Index (Leg Circulation) Screening and  
Abdominal Aortic (Rupture) Aneurysm Screening  
Desert Hospital Health Screening  
55 Alive, Driving Education by AARP  
HICAP, Health Insurance Counseling Advocacy Program  
Income Tax Service  
County, Office on Aging  
Care Program to reduce basic rate on electric bill  
Care Program to reduce basic rate on gas bill  
H.E.A.P.  
Homeowners/Renters Assistance Program

Outreach:

With the purchase of the van, we have been able to transport 165 homebound seniors to and from our Center. We are averaging approximately 100 new clients per month.

Annual Holiday Parties:


Halloween, Christmas, New Years, Valentines, St. Patrick's Day, Mexican Fiesta Day, etc.

Ongoing Fund Raisers:

Major Fund Raisers, "Winter Fest", and Ray Willards' "Golf Tournament"

**CITY OF CATHEDRAL CITY  
CITY COUNCIL  
AGENDA REPORT**

**SUBJECT:** Service Provider Agreement Cathedral City Boys and Girls Club  
**DEPARTMENT:** Economic Development      **MEETING DATE:** October 10, 2001  
**CONTACT PERSON:** Tony Barton      **DEADLINE FOR ACTION:** N/A

**APPROVED:**  Department       City Manager       Finance

---

**EXECUTIVE SUMMARY:**

*The City Council has been providing a certain portion of funding for several community service organizations for a number of years. The primary reason for funding these service organizations has been to enable them to perform certain duties that the City may not otherwise be in a position to provide within the same cost structure. Traditionally, the Council has provided partial funding for the Senior Center, Boys and Girls Club and the Chamber of Commerce.*

*In recent months, the City Council has requested that a more detailed account of funding and services be implemented. In that request, a variety of "checks and balances" has been addressed. Foremost is the execution of a Service Provider Agreement. Within the agreement are a Scope of Services, compensation arrangements and a performance schedule.*

**RECOMMENDATION:**

That the City Council authorize the execution of the Service Provider Agreement between the City of Cathedral City and the Cathedral City Boys and Girls Club.

**BACKGROUND:**

The City of Cathedral City has participated with the Cathedral City Boys and Girls Club in a variety of activities over the past several years. Recently, the City Council expressed concerns over monitoring and performance of all of the Community Service Organizations and directed Staff to implement a more comprehensive and detailed funding program. The attached **Service Provider Agreement** is a result of input from the City Council, Staff, the Providers and the City Attorney. Of utmost concern was the City's position in the giving of public funds, commonly referred to as a "gift of public funds". Within the guidelines to funding any organization, group or contractor, it must be established that the funds are either for a specific purpose or for the public good. The Service Provider Agreement provides for a "contract" with the Boys and Girls Club for specific services.

**ANALYSIS:**

The Cathedral City Boys and Girls Club has requested \$56,745 to provide services to the City for fiscal year 2001/2002. This reflects the amount recommended by Staff.



The purpose of the Boys and Girls Club is to provide services for local Youth in the form of child care, after school care and education. In addition, the organization has been involved with a variety of City events and programs such as holiday activities, special events and volunteerism. The Boys and Girls Club serves the youth community as a whole by providing services that promote healthy and active programs for children and therefore, greatly contributes to the quality of life issues in our community.

Specifically the agreement addresses the continued support of the following programs: Character and Leadership programs, Education and Career Development Health and life skills, Arts and Sports.

The funding sources for the Boys and Girls Club comes from a variety of activities and venues. Including; membership dues, special events, contributions and contracts with the City of Cathedral City. The expenditures for the Boys and Girls Club in 2000 were \$312,730. Historically, the City has provided funding for the Club for a number of years. Most recent figures show the following funding patterns; 1995/96 - \$65,000, 1996/97 - \$65,000, 1997/98 - \$62,000, 1998/99 - \$60,500, 1999/00 - \$56,745 and 2000/2001 - \$56,745.

It is Staff's opinion the Boys and Girls has performed well in the past and that they have provided all of the services they have promised. The Staff at the Club are highly qualified individuals that have extensive backgrounds in child care, education and office management.

It is Staff's opinion that the Cathedral City Boys and Girls Club is financially responsible and has a proven track record of providing detailed audits of their operations upon demand. In addition, Staff believes that the Club is capable, willing and able to perform the functions of the proposed agreement and in fact has already performed some of the initial work on several of the proposals.

**ALTERNATIVES:**

There are a variety of alternatives available to the City Council. Those include partial to no funding on any level that the Council desires.

**FISCAL IMPACT:** \$56,745 – Community Organizations

**ATTACHMENTS:**

Service Provider Agreement

Scope of Services

Performance Schedule

Fourth Quarter Report 2000/2001

Certificate of Insurance

**SERVICE PROVIDER AGREEMENT  
BY AND BETWEEN  
THE CITY OF CATHEDRAL CITY  
AND  
Cathedral City Boys and Girls Club**

**THIS SERVICE PROVIDER AGREEMENT, is made and entered into this 10th day of October, 2001, by and between the City of Cathedral City, a municipal corporation located in the County of Riverside, State of California, hereinafter referred to as the "City", and Cathedral City Boys and Girls Club, a California [501(c)(3)] nonprofit corporation, hereinafter referred to as "Service Provider".**

**RECITALS:**

**WHEREAS,** the Cathedral City Boys and Girls Club wishes to continue to provide services to the City of Cathedral City as one of the City's provider of Youth Recreational services; and

**WHEREAS,** in light of the facts set forth above, the City desires to retain the services of a qualified service provider to provide, on an independent contractor's basis, services in connection with the Cathedral City Boys and Girls Club and the services that are to be provided to the City as a whole as outlined in the Scope of Services.

**NOW THEREFORE, IN CONSIDERATION OF THE COVENANTS, CONDITIONS AND PROMISES CONTAINED HEREIN AND FOR SUCH OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:**

**Section 1.                    RECITALS**

The Recitals set forth above are true and correct and are hereby incorporated into this Agreement by this reference, as though set forth herein.

**Section 2.                    SCOPE OF SERVICES**

Service Provider shall provide to the City those services as set forth in the "Scope of Services", attached hereto as Exhibit "A", and incorporated herein by this reference as though set forth at length.

**Section 3.                    COMPENSATION**

The City shall pay a total amount of **\$56,745** for the services rendered by Service

Provider pursuant to this Agreement.

**Section 4.                    PAYMENT SCHEDULE**

The City shall pay Service Provider in quarterly payments beginning July 1, 2001 and commencing every quarter thereafter until the total sum has been paid. Payment Schedule should be as follows; Payment 1 – On or about July 1, 2001. Payment 2 – On or about October 1, 2001. Payment 3 – On or about January 1, 2002. Payment 4 – On or about April 1, 2002. All Payments are subject to the Quarterly Reports submittal process and approvals.

**Section 5.                    PERFORMANCE SCHEDULE**

Service Provider shall perform those services set forth in the Scope of Services pursuant to the "Performance Schedule" attached hereto as Exhibit "B", and incorporated herein by this reference as though set forth at length.

**Section 6.                    TERM OF AGREEMENT**

This Agreement shall be for a term of 12 months, commencing on July 1, 2001.

**Section 7.                    INDEPENDENT CONTRACTOR'S STATUS**

Service Provider shall at all times during the term of this Agreement perform the services described in this Agreement as an independent contractor.

**Section 8.                    REPRESENTATIONS    AND    ACKNOWLEDGMENTS  
REGARDING INDEPENDENT CONTRACTOR'S STATUS OF  
SERVICE PROVIDER**

a.        Service Provider represents and acknowledges the following:

(1)       The City is not required to provide any training or legal counsel to Service Provider or its employees in order for Service Provider to perform the services described in this Agreement.

(2)       Performance of the services described in this Agreement do not have to be integrated into the daily business operations of the City.

(3)       The services described in this Agreement can be performed without the use of City equipment, materials, tools or facilities unless otherwise provided under a separate agreement.

(4)       Nothing in this Agreement shall be interpreted to imply that the City must maintain any contractual relationship with Service Provider on a continuing basis after termination of this Agreement.

(5) The City will not be requested or demanded to assume any liability for the direct payment of any salary, wage or other such compensation to any person employed by Service Provider to perform the services described in this Agreement.

(6) Service Provider shall not at any time or in any manner represent that it or any of its officers, employees, or agents are "employees" of the City.

b. The City represents and acknowledges the following:

(1) Service Provider is not required to comply with daily instructions from City staff with respect to when, where or how Service Provider must perform the services set forth in this Agreement.

(2) Service Provider is solely responsible for determining who, under the supervision or direction of Service Provider, will perform the services set forth in this Agreement.

(3) The City will not hire, supervise or pay any assistants working for Service Provider pursuant to this Agreement.

(4) Nothing in this Agreement shall be interpreted to imply that the Service Provider must maintain any contractual relationship with the City on a continuing basis after termination of this Agreement.

(5) It is the sole responsibility of Service Provider to set the hours in which Service Provider performs or plans to perform the services set forth in this Agreement.

(6) Service Provider is not required to devote full time to the business operations of the City in order to perform the services set forth in this Agreement.

(7) Unless deemed necessary under certain circumstances, Service Provider is not required to perform the services set forth in this Agreement at City Hall or on City-owned property.

(8) Other than attendance at required public meetings and public hearings and complying with procedural requirements set forth by law, Service Provider is not required to perform the services set forth in the Agreement in any particular order or sequence.

(9) Nothing in this Agreement shall be interpreted to preclude Service Provider from working for other persons or firms, provided that such work does not create a conflict of interest.

## **Section 9. NOT AGENT OF THE CITY**

a. Nothing contained in this Agreement shall be deemed, construed or

represented by the City or Service Provider or by any third person to create the relationship of principal and agent.

b. Service Provider shall have no authority, expressed or implied, to act on behalf of the City in any capacity whatsoever as an agent, nor shall Service Provider have any authority, expressed or implied, to bind the City to any obligation whatsoever.

#### **Section 10. QUALIFICATIONS**

Service Provider represents that it has obtained and will maintain at all times during the term of this Agreement all professional and/or business licenses, certifications and/or permits necessary for performing the services described in this Agreement.

#### **Section 11. WARRANTY**

Service Provider warrants that all services will be performed in a competent, professional and satisfactory manner in accordance with the standards prevalent in the industry for such services.

#### **Section 12. FAMILIARITY WITH WORK**

a. By executing this Agreement, Service Provider warrants that (1) it has thoroughly investigated and considered the work to be performed, (2) it has investigated the issues, regarding the scope of services to be provided, (3) it has carefully considered how the work should be performed, and (4) it fully understands the facilities, difficulties and restrictions attending performance of the work under this Agreement.

b. Should Service Provider discover any latent or unknown conditions materially differing from those inherent in the work or as represented by the City, it shall immediately inform the City of such fact and shall not proceed except at Service Provider's risk until written instructions are received from the City Manager or his or her designee.

#### **Section 13. CONFLICTS OF INTEREST**

Service Provider covenants that neither it nor any officer of the corporation has any interest, nor shall it acquire an interest, directly or indirectly, which would conflict in any manner with the performance of Service Provider's services under this Agreement.

#### **Section 14. POLITICAL ACTIVITY**

None of the proceeds of any funding received from the City pursuant to this Agreement shall be used for political activities unless such activities are related to a legislative matter that is officially supported by the City Council via a duly adopted Resolution of Support of the City Council and the proceeds are used to advance or promote the City Council's official position on the subject legislative matter.

**Section 15.**                    **COMPLIANCE WITH LAWS**

Service Provider shall comply with all local, state and federal laws and regulations applicable to the services required hereunder, including any rule, regulation or bylaw governing the conduct or performance of Service Provider and/or its employees, officers, or board members.

**Section 16.**                    **NONDISCRIMINATION**

a.     Service Provider shall comply with the City's employment related nondiscrimination policies as set forth in the City's Municipal Code, as it may be amended from time to time.

b.     Service Provider acknowledges that the City's employment related nondiscrimination policies prohibit discrimination on the basis of an individual's sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation, and domestic partnership status.

**Section 17.**                    **COMPREHENSIVE GENERAL AND AUTOMOBILE LIABILITY INSURANCE**

Service Provider shall procure and maintain at its own expense, during the term of this Agreement, comprehensive general liability insurance of not less than One Million Dollars (\$1,000,000.00) combined single limit per occurrence for bodily injury, personal injury and property damage.

**Section 18.**                    **WORKERS' COMPENSATION INSURANCE**

a.     Service Provider shall procure and maintain at its own expense, during the term of this Agreement, workers' compensation insurance, providing coverage as required by the California State Workers' Compensation Law.

b.     If any class of employees employed by the Service Provider pursuant to this Agreement is not protected by the California State Workers' Compensation Law, Service Provider shall provide adequate insurance for the protection of such employees to the satisfaction of the City.

**Section 19.**                    **LIABILITY INSURANCE**

Service Provider shall procure and maintain through the entire term of this Agreement errors and omissions, professional liability, or directors and officers insurance in an amount deemed acceptable by the City Manager.

**Section 20.**                    **ADDITIONAL NAMED INSURED**

Notwithstanding any inconsistent statement in any required insurance policies or

any subsequent endorsements attached thereto, the protection offered by all policies, except for Workers' Compensation, errors and omissions, professional liability or directors and officers coverage, shall bear an endorsement whereby it is provided that, the City and its officers, employees, servants, volunteers and agents and independent contractors, including without limitation, the City Manager, Deputy City Manager, Administrative Services Director, and City Attorney, are named as additional insureds.

## **Section 21.           WAVIER OF SUBROGATION RIGHTS**

Service Provider shall require the carriers of all required insurance policies to waive all rights of subrogation against the City and its officers, volunteers, employees, contractors and subcontractors.

## **Section 22.           PROOF OF INSURANCE COVERAGE**

a.       Service Provider shall secure from a good and responsible company or companies authorized to do insurance business in the State of California the policies of insurance required by this Agreement and furnish to the City Clerk of the City certificates of said insurance on or before the commencement of the term of this Agreement.

b.       The certificates of insurance shall bear an endorsement whereby it is provided that, in the event of cancellation or amendment of any required insurance policy for any reason whatsoever, the City shall be notified by mail, postage prepaid, not less than thirty (30) days before the cancellation or amendment is effective.

c.       The certificates of insurance shall bear an endorsement whereby it is provided that the respective insurance policy shall not be terminated or expire without first providing thirty (30) days' written notice to the City of such termination or expiration.

d.       The certificates of insurance shall indicate that the respective insurance policy will be maintained throughout the term of this Agreement.

e.       Within thirty (30) days of the execution of this Agreement, Service Provider shall furnish certified copies of all required insurance policies and endorsements.

## **Section 23.           TERMINATION OR SUSPENSION**

a.       This Agreement may be terminated or suspended without cause by either party at any time provided that the respective party provides the other party at least thirty (30) business days' written notice of such termination or suspension.

b.       This Agreement may be terminated or suspended with cause by either party at any time provided that the respective party provides the other party at least ten (10) business days' written notice of such termination or suspension.

c.       In the event of a termination of this Agreement under this Section 15, Service Provider shall provide all documents, reports, data or other work product developed in performance of the Scope of Services

of this Agreement to the City, within ten (10) calendar days of such termination and without additional charge to the City.

**Section 24.**                    **TIME OF THE ESSENCE**

Time is of the essence in the performance of this Agreement.

**Section 25.**                    **INDEMNIFICATION**

a.        Service Provider shall defend, indemnify and hold harmless the City, its officers, employees, representatives and agents, from and against those actions, suits, proceedings, claims, demands, losses, costs and expenses, including legal costs and attorneys' fees, for any personal injuries, deaths, property damage (including property owned by the City) which may arise out of Service Provider's negligent performance of the services described in this Agreement, unless such losses or damages are proven to be caused by the City's own negligence or that of its officers or employees.

b.        The City does not, and shall not, waive any rights that it may have against Service Provider under this Section, because of the acceptance by the City, or the deposit with the City, of any insurance policy or certificate required pursuant to this Agreement. The hold harmless and indemnification provisions of this Section shall apply regardless of whether or not said insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense described herein.

**Section 26.**                    **REPORTS**

Service Provider shall periodically prepare and submit to the City Manager or his or her designee such reports concerning Service Provider's performance of the services required by this Agreement on a quarterly basis commencing one month of the effective date as set forth in the opening paragraph of this Agreement.

**Section 27.**                    **RECORDS**

a.        Service Provider shall keep such books and records as shall be necessary to perform the services required by this Agreement and enable the City Manager or his or her designee to evaluate the cost and the performance of such services.

b.        Books and records pertaining to costs shall be kept and prepared in accordance with generally accepted accounting principals.

c.        The City Manager or his or her designee shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

d.        Records and supporting documents pertaining to the use of funds paid to service provider hereunder shall be retained by Service Provider and made available to



the City Manager or his or her designee for purposes of performing an audit for a period of five (5) years from the date of termination of this Agreement.

#### **Section 28. OWNERSHIP OF DOCUMENTS**

a. Upon completion of any document or report required to be provided by Service Provider in the course of performing any of the services described in this Agreement, or upon earlier termination of this Agreement, all completed original documents and/or reports and any designs, drawings, calculations, diskettes, computer files, notes, and other related materials prepared or produced in connection with such documents or reports shall become the sole property of the City and may be used and/or reused on any other project by the City without the permission of Service Provider.

b. All computer files produced in connection with the services described in this Agreement shall be provided to the City in a form and format that is compatible with the City's existing computer equipment and software.

#### **Section 29. CONFIDENTIALITY**

a. Any and all documents and information obtained from the City or prepared by Service Provider for the City shall be kept strictly confidential unless otherwise provided by law.

b. The drawings, specifications, reports, records, documents and other materials prepared by Service Provider in the performance of services under this Agreement shall not be released publicly without the prior written approval of the City Manager or as required by law.

c. Service Provider shall not disclose to any other entity or person any information regarding the activities of the City, except as required by law or as authorized by the City.

#### **Section 30. PRINCIPLE REPRESENTATIVES**

a. Ofelia E. Bringas is designated as the principle representative of Service Provider for purposes of communicating with the City on any matter associated with the performance of the services set forth in this Agreement.

b. The Parks and Recreation Manager shall be the principle representative of the City for purposes of communicating with Service Provider on any matter associated with the performance of the services set forth in this Agreement.

c. Either party may designate in another individual as its principle representative by giving written notice of such designation to the other party.

d. It is expressly understood that the experience, knowledge, capability and

reputation of the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Service Provider and devoting sufficient time to personally supervise the services hereunder.

### **Section 31.            MODIFICATIONS AND AMENDMENTS**

This Agreement may be modified or amended only by a written instrument signed by both parties

### **Section 32.            ENTIRE AGREEMENT**

a.     This Agreement supersedes any and all other agreements, either oral or written, between the City and Service Provider with respect to the subject matter of this Agreement.

b.     This Agreement contains all of the covenants and agreements between the parties with respect to the subject matter of this Agreement, and each party to this Agreement acknowledges that no representations, inducements, promises, or agreements have been made by or on behalf of any party except those covenants and agreements embodied in this Agreement.

c.     No agreement, statement, or promise not contained in this Agreement shall be valid or binding.

### **Section 33.            AMBIGUITIES**

This Agreement is in all respects intended by each party hereto to be deemed and construed to have been jointly prepared by the parties and the parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against either of them. Except as expressly limited by this paragraph, all of the applicable rules of interpretation of contract shall govern the interpretation of any uncertainty or ambiguity of this Agreement.

### **Section 34.            NOTICES**

a.     Any notice to be provided pursuant to this Agreement shall be in writing, and all such notices shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid, and addressed to the parties as follows:

To the City:

Don E. Bradley, City Manager  
City of Cathedral City  
68-700 Avenida Lalo Guerrero  
Cathedral City, California 92234

To Service Provider:

Ofelia Bringas, Executive Director  
Cathedral City Boys and Girls Club  
32141 Whispering Palms Trail

b. Notices, payments and other documents shall be deemed delivered upon receipt by personal service or as of the second (2nd) day after deposit in the United States mail.

**Section 35. NON-LIABILITY OF CITY OFFICERS AND EMPLOYEES**

No officer or employee of the City shall be personally liable to Service Provider, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Service Provider or to its successor, or for any breach of any obligation of the terms of this Agreement.

**Section 36. REVIEW BY ATTORNEYS**

Each party hereto has had its attorneys review this Agreement and all related documents. Each party hereto has consulted with its attorneys and has negotiated the terms of this Agreement based on such consultation.

**Section 37. WAIVER**

a. No waiver shall be binding, unless executed in writing by the party making the waiver.

b. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision.

c. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of the right to compel enforcement of the remaining provisions of this Agreement.

**Section 38. ASSIGNMENT**

a. The experience, knowledge, capability and reputation of Service Provider, its principals and employees were a substantial inducement for the City to enter into this Agreement.

b. This Agreement shall not be assigned by either party without prior written consent of the other party.

**Section 39. CARE OF WORK**

The performance of services by Service Provider shall not relieve Service Provider from any obligation to correct any incomplete, inaccurate or defective work at no further cost to the City, when such inaccuracies are due to the negligence of Service Provider.

**Section 40. CAPTIONS AND HEADINGS**

The captions and headings contained in this Agreement are provided for identification purposes only and shall not be interpreted to limit or define the content of the provisions described under the respective caption or heading.

**Section 41. SUCCESSORS, HEIRS AND ASSIGNS**

Except as otherwise expressly provided herein, this Agreement shall be binding upon the successors, endorsees, assigns, heirs, and personal representatives of each of the parties to this Agreement and, likewise, shall inure to the benefit of the successors, endorsees, assigns, heirs, and personal representatives of each of the parties.

**Section 42. GENDER**

In this Agreement, unless the context clearly requires otherwise, the masculine, feminine and neuter genders and the singular and the plural shall include one another.

**Section 43. SEVERABILITY**

If any one or more of the sentences, clauses, paragraphs or sections contained herein is declared invalid, void or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall not affect, impair or invalidate any of the remaining sentences, clauses, paragraphs or sections contained herein.

**Section 44. GOVERNING LAW**

The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties under this Agreement, shall be construed pursuant to and in accordance with California law.

**Section 45. DEFAULT**

a. Failure or delay by any party to this Agreement to perform any material term or provision of this Agreement shall constitute a default under this Agreement; provided however, that if the party who is otherwise claimed to be in default by the other party commences to cure, correct or remedy the alleged default within fifteen (15) calendar days after receipt of written notice specifying such default and shall diligently complete such cure, correction or remedy, such party shall not be deemed to be in default hereunder.

b. The party which may claim that a default has occurred shall give written notice of default to the party in default, specifying the alleged default. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default; provided, however, the injured party shall have no right to exercise any remedy for a default hereunder without delivering the written default notice, as specified herein.

c. Any failure or delay by a party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies associated with a default.

d. In the event that a default of any party to this Agreement may remain uncured for more than fifteen (15) calendar days following written notice, as provided above, a "breach" shall be deemed to have occurred. In the event of a breach, the injured party shall be entitled to seek any appropriate remedy or damages by initiating legal proceedings.

#### **Section 46. CUMULATIVE REMEDIES**

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default of any other default by the other party.

#### **Section 47. VENUE**

All proceedings involving disputes over the terms, provisions, covenants or conditions contained in this Agreement and all proceedings involving any enforcement action related to this Agreement shall be initiated and conducted in the applicable court or forum in Riverside County, California.

#### **Section 48. ATTORNEY'S FEES**

In the event any action, suite or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, the prevailing party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, from the losing party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

#### **Section 49. EFFECTIVENESS OF AGREEMENT**

This Agreement shall not be binding upon the City, until signed by the authorized representative(s) of Service Provider, approved by the City Council of the City of Cathedral City, approved as to form by the City Attorney for the City of Cathedral City and executed by the City Manager of the City of Cathedral City.

#### **Section 50. REPRESENTATIONS OF PARTIES AND PERSONS EXECUTING AGREEMENT**

(a) Each of the parties to this Agreement hereby represents that all necessary and appropriate actions of their governing bodies have been taken to make this Agreement a binding obligation of each of the parties hereto.

(b) The persons executing this Agreement warrant that they are duly authorized to execute this Agreement on behalf of and bind the parties each purports to represent.

**IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates written below.**

**City of Cathedral City:**

**By:** \_\_\_\_\_  
**Donald E. Bradley, City Manager**  
**Director**

**By:**  \_\_\_\_\_  
**Dudley Haines, Risk Manager**

**ATTEST:**

**By:** \_\_\_\_\_  
**Donna M. Velotta, City Clerk**

**Cathedral City Senior Center:**

**By:** \_\_\_\_\_  
**Ofelia E. Bringas, Executive**

**By:** \_\_\_\_\_  
**Joe Velasquez, President**

**By:** \_\_\_\_\_  
**Irene M. Thomas, Treasurer**

**APPROVED AS TO FORM:**

**By:** \_\_\_\_\_  
**Steven B. Quintanilla, City Attorney**

# Exhibit “A”

## Scope of Services

## SCOPE OF SERVICES

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Hours of operation (Main Unit):

Monday	7:30am – 8:00pm
Tuesday	7:30am – 9:30pm
Wednesday	7:30am – 9:30pm
Thursday	7:30am – 9:30pm
Friday	7:30am – 5:30pm

Boys & Girls Club Core Program Areas: 1) Character and Leadership Development, 2) Education and Career Development, 3) Health & Life Skills, 4) The Arts, and 5) Sports, Fitness and Recreation.

### **MAIN UNIT:**

The Boys & Girls Club of Cathedral City Provides all day and after school care to school age children. They are open Monday through Friday from 7:30 am until 5:30 pm for off track and after school / latch key children. A number of Boys & Girls Clubs of America's national programs are offered; SMART MOVES- a drug education and resistance program, KIDS IN CONTROL- a safety awareness program designed specifically for elementary age children, THE POWER HOUR- time set aside for homework help and tutoring. Along with weekly field trips and arts & crafts activities.

The Boys & Girls Club also is open 3 evenings a week for teens. This program is called Club PM. It is time set aside specifically for teens to have use of the facilities for sports or just to get together in a positive atmosphere with positive adults to supervise. The KEYSTONE CLUB, a national teen club meets weekly.

There are also Karate classes held on Monday evenings from 5:pm to 8:pm and a Jr. Basketball league on Thursday evenings form 5:pm to 8:pm.

Currently we have over 500 members.

### **AGUA CALIENTE UNIT:**

As of November 2000, the Boys & Girls Club of Agua Caliente was accepted into membership by Boys & Girls Clubs of America. The Agua Caliente Unit is strictly and after school unit. It runs from 2:30pm until 5:30pm during Fall, Winter and Spring. It is open from 1:30pm to 5:30pm throughout the Summer months. The focus at the Agua Caliente Unit is a Boys & Girls Clubs of America national program, PROJECT LEARN. Through daily activities, PROJECT LEARN supports the academic improvement of disadvantaged students who are traditionally underserved in schools.





BOYS & GIRLS CLUBS  
OF AMERICA

This is to certify that the

# Boys & Girls Club of Agua Caliente

has been accepted into the membership of Boys & Girls Clubs of America  
and is entitled to all the rights and privileges as a unit of the

# Boys & Girls Club of Cathedral City

Given by order of the Board of Governors  
this 30<sup>th</sup> day of November, 2000



*Robert L. Hayes*

Chairman of the Board

*Roxanne Gullett*

President

# Exhibit “B”

## Performance Schedule

# Boys & Girls Club of Cathedral City - Daily Schedule

	Monday	Tuesday	Wednesday	Thursday	Friday				
7:30	7:30 Club Opens / Free Play								
8:00	TV ok only until 8:30								
8:30									
9:00	Greetings Sit/ Check Kids In &Go Over Days Activities								
9:15	Flag Salute/Pledge of Allegiance								
9:30	Kids In Control 9:30 - 10:45	Smart Moves 9:30 - 10:45	Bowling 9:30 - 11:00	Sports 9:30 - 10:30	Arts & Crafts 9:30 - 10:30				
9:45									
10:00									
10:15									
10:30									
10:45									
11:00				Movie					
11:15									
11:30	Lunch								
11:45									
12:00									
12:00	Group	Reading	Time		Group Games				
12:30									
12:45									
1:00									
1:15									
1:30									
1:45									
2:00									
2:15									
2:30	Landau Arrives	Landau Arrives	Landau Arrives	Landau Arrives	Landau Arrives				
2:45									
3:00	S.Sands Arrives	S.Sands Arrives	S.Sands Arrives	S.Sands Arrives	S.Sands Arrives				
3:30									
3:30									
3:30	Snack								
3:45									
3:45	Arts & Crafts								
4:00	POWER HOUR								
4:15	Everybody does homework, worksheets or reads								
4:30									
4:45	homework is checked, and kids that have completed can go to the tv room								
5:00									
5:00	Clean up	Clean up	Clean up	Clean up	Clean up				
5:30	Club Closes	Club Closes	Club Closes	Club Closes	Club Closes				
6:30	Karate 5:00 - 8:00	Club PM	Basketball 5pm - 8pm						
7:30			6:30 - 9:30						
8:00									
9:30									

**SCHEDULE C****REPORT OF SERVICES RENDERED  
AND NOT TO BE RENDERED  
(DUE IN JUNE 2001)**

**CONTRACTOR**, by its duly authorized official, hereby submits to the City of Cathedral City its report on services rendered and to be rendered by Contractor pursuant to that certain "Agreement by Non-Profit Organization to Provide Services to the City of Cathedral City" effective the first day of July, 2000.

**CONTRACTOR**, certifies that it has maintained its office during the hours contracted for, and has continuously provided all services contracted for, and assures the City it will conduct all programs contracted for.

Included in the services provided, Contractor has, during the period covered by this Report, performed the following approximate services during the period July 1, 2000 to June 30, 2001.

Conducted daily after school programs for Elementary/Middle School students served approximately 100 young people, Monday through Friday.

All day "off track" program for elementary school approximately served 100 members, Monday through Friday.

Conducted weekly karate classes to approximately 40 youth, Mondays.

Conducted Club P.M. opportunities to approximately 35 young people, Tuesday, Wednesday and Thursday.

Conducted weekly Keystone meetings with approximately 10 youth.

Conducted Basketball Classes on Thursday night for approximately 70 youth.

We now have opened a second unit at Agua Caliente Elementary School meeting afternoons daily with approximately 136 members.

This report to be filled out and submitted no later than June 2001.

The undersigned, the duly authorized official of the Contractor, certifies that the information provided herein is true and correct.

**BOYS & GIRLS CLUB OF CATHEDRAL CITY**

By:

*Ofelia E. Bringal*

Dated: June 30, 2001

**ACORD™ CERTIFICATE OF LIABILITY INSURANCE**DATE (MM/DD/YY)  
10/01/2001

PRODUCER (760)836-3251 FAX (760)836-3252  
 Coachella Valley Insurance  
 License #0542476  
 71-301 Highway 111 Suite 10  
 Rancho Mirage, CA 92270

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION  
 ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE  
 HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR  
 ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

**INSURERS AFFORDING COVERAGE**

INSURED Boys & Girls Club of Cathedral City  
 32-141 Whispering Palms Trail  
 Cathedral City, CA 92234

INSURER A: **Market Insurance Company**

INSURER B:

INSURER C:

INSURER D:

INSURER E:

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

NSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	8502CY0145226	12/20/2000	12/20/2001	EACH OCCURRENCE	\$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire)	\$ 50,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 5,000
					PERSONAL & ADV INJURY	\$ 1,000,000
					GENERAL AGGREGATE	\$ 3,000,000
					PRODUCTS - COMP/OP AGG	\$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO- JECT <input type="checkbox"/> LOC					
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	\$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
	<input type="checkbox"/> HIRED AUTOS					
	<input type="checkbox"/> NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC	\$
					AUTO ONLY AGG	\$
	EXCESS LIABILITY				EACH OCCURRENCE	\$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$
						\$
	<input type="checkbox"/> DEDUCTIBLE					\$
	RETENTION \$					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU- TORY LIMITS	OTH- ER
					E.L. EACH ACCIDENT	\$
					E.L. DISEASE - EA EMPLOYEE	\$
					E.L. DISEASE - POLICY LIMIT	\$
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Notice of cancellation for nonpayment of premium is 10 days.

Certificate holder is named additional insured as respects general liability.

**CERTIFICATE HOLDER**

ADDITIONAL INSURED; INSURER LETTER:

**CANCELLATION**

City of Cathedral City  
 ATTN: Terry  
 68700 Ave. La Lo Guerrero  
 Cathedral City, CA 92234

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE  
 EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL  
30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT,  
 BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY  
 OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Michael Holzman/KAF

## **IMPORTANT**

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).




If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

## **DISCLAIMER**

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

**CITY OF CATHEDRAL CITY  
CITY COUNCIL  
AGENDA REPORT**

**SUBJECT: Service Provider Agreement Cathedral City Chamber of Commerce**  
**DEPARTMENT: Economic Development**      **MEETING DATE: October 10, 2001**  
**CONTACT PERSON: Tony Barton**      **DEADLINE FOR ACTION: N/A**

**APPROVED:**  **Department**       **City Manager**       **Finance**

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**EXECUTIVE SUMMARY:**

*The City Council has been providing a certain portion of funding for several community service organizations for a number of years. The primary reason for funding these service organizations has been to enable them to perform certain duties that the City may not otherwise be in a position to provide within the same cost structure. Traditionally, the Council has provided partial funding for the Senior Center, Boys and Girls Club and the Chamber of Commerce.*

*In recent months, the City Council has requested that a more detailed account of funding and services be implemented. In that request, a variety of "checks and balances" has been addressed. Foremost is the execution of a Service Provider Agreement. Within the agreement are a Scope Of Services, compensation arrangements and a performance schedule.*

**RECOMMENDATION:**

That the City Council authorize the execution of the Service Provider Agreement between the City of Cathedral City and the Cathedral City Chamber of Commerce.

**BACKGROUND:**

The City of Cathedral City has participated with the Cathedral City Chamber of Commerce in a variety of activities over the past several years. Recently, the City Council expressed concerns over monitoring and performance of all of the Community Service Organizations and directed Staff to implement a more comprehensive and detailed funding program. The attached **Service Provider Agreement** is a result of input from the City Council, Staff, the Providers and the City Attorney. Of utmost concern was the City's position in the giving of public funds, commonly referred to as a "gift of public funds". Within the guidelines to funding any organization, group or contractor, it must be established that the funds are either for a specific purpose or for the public good. The Service Provider Agreement provides for a "contract" with the Chamber of Commerce for specific services.

**ANALYSIS:**

The Cathedral City Chamber of Commerce has requested approximately \$21,000 to provide services to the City for fiscal year 2001/2002. The exact amount recommended by Staff is \$20,952.

The purpose of the Chamber of Commerce is to "attract, develop, promote and retain local businesses through communication, networking, training and programs". In addition, the organization has been involved with a variety of City events and programs such as educational programs, special events and volunteerism. The Chamber of Commerce serves the community as a whole by providing services that promote local businesses, thereby providing the City with a stable tax base that can in turn be used for services throughout the community.

Specifically the agreement addresses the continued support of the following programs: Business of the Year, Citizen of the Year, Athena Awards, Pro-Am Tournament, Kaleidoscope Festival, Valley-Wide Business Reception, Education Partnership (which includes the Student/Business Partnership Project, Choices and Career for Kids), Diversity Committee, Business Breakfasts and Mixers and the Information Center. Each is identified in greater detail in the attached Scope of Services.

The funding sources for the Chamber comes from a variety of activities and venues. Including, membership dues, special events, contributions and contracts with the City of Cathedral City. The expenditures for the Chamber of Commerce in 2000 were \$230,000. Historically, the City has provided funding for the Chamber for a number of years. Most recent figures show the following funding patterns; 1995/96 - \$24,000, 1996/97 - \$24,000, 1997/98 - \$20,500, 1998/99 - \$19,462, 1999/00 - \$20,952 and 2000/2001 - \$20,952.

It is Staff's opinion the Chamber of Commerce has performed well in the past and that they have provided all of the services they have promised. The Staff at the Chamber of Commerce are highly qualified individuals which includes a "Certified Chamber of Commerce Executive" and a graduate from the U.S. Chamber of Commerce Institute for Organizational Management. Support Staff has extensive experience in sales, office management and public relations.

It is Staff's opinion that the Cathedral City Chamber of Commerce is financially sound and has a proven track record of providing detailed audits of their operations upon demand. In addition, Staff believes that the Chamber of Commerce is capable, willing and able to perform the functions of the proposed agreement and in fact has already performed some of the initial work on several of the proposals.



**ALTERNATIVES:**

There are a variety of alternatives available to the City Council. Those include partial to no funding on any level that the Council desires.

**FISCAL IMPACT:** \$20,952 – Community Organizations

**ATTACHMENTS:**

Service Provider Agreement

Cover Letter

Scope of Services – Community Service Program

Performance Schedule

Fourth Quarter Report 2000/2001

Certificate of Liability Insurance

**SERVICE PROVIDER AGREEMENT  
BY AND BETWEEN  
THE CITY OF CATHEDRAL CITY  
AND  
Cathedral City Chamber of Commerce**

**THIS SERVICE PROVIDER AGREEMENT, is made and entered into this 10th day of October, 2001, by and between the City of Cathedral City, a municipal corporation located in the County of Riverside, State of California, hereinafter referred to as the "City", and Cathedral City Chamber of Commerce, a California [501(c) (6)] nonprofit corporation, hereinafter referred to as "Service Provider".**

**RECITALS:**

**WHEREAS**, the Cathedral City Chamber of Commerce wishes to continue to provide services to the City of Cathedral City under the Community Services Program; and

**WHEREAS**, in light of the facts set forth above, the City desires to retain the services of a qualified service provider to provide, on an independent contractor's basis, services in connection with the Cathedral City Chamber of Commerce and the services that are to be provided to the City as a whole as outlined in the Community Service Program portion of the Scope of Services.

**NOW THEREFORE, IN CONSIDERATION OF THE COVENANTS, CONDITIONS AND PROMISES CONTAINED HEREIN AND FOR SUCH OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:**

**Section 1.                    RECITALS**

The Recitals set forth above are true and correct and are hereby incorporated into this Agreement by this reference, as though set forth herein.

**Section 2.                    SCOPE OF SERVICES**

Service Provider shall provide to the City those services as set forth in the "Scope of Services", attached hereto as Exhibit "A", and incorporated herein by this reference as though set forth at length.

**Section 3.                    COMPENSATION**

The City shall pay a total amount of **\$20,952** for the services rendered by Service

Provider pursuant to this Agreement.

**Section 4.                    PAYMENT SCHEDULE**

The City shall pay Service Provider in quarterly payments beginning July 1, 2001 and commencing every quarter thereafter until the total sum has been paid. Payment Schedule should be as follows; Payment 1 – On or about July 1, 2001. Payment 2 – On or about October 1, 2001. Payment 3 – On or about January 1, 2002. Payment 4 – On or about April 1, 2002. All Payments are subject to the Quarterly Reports submittal process and approvals.

**Section 5.                    PERFORMANCE SCHEDULE**

Service Provider shall perform those services set forth in the Scope of Services pursuant to the "Performance Schedule" attached hereto as Exhibit "B", and incorporated herein by this reference as though set forth at length.

**Section 6.                    TERM OF AGREEMENT**

This Agreement shall be for a term of 12 months, commencing on July 1, 2001.

**Section 7.                    INDEPENDENT CONTRACTOR'S STATUS**

Service Provider shall at all times during the term of this Agreement perform the services described in this Agreement as an independent contractor.

**Section 8.                    REPRESENTATIONS      AND      ACKNOWLEDGMENTS  
REGARDING INDEPENDENT CONTRACTOR'S STATUS OF  
SERVICE PROVIDER**

a.      Service Provider represents and acknowledges the following:

(1)      The City is not required to provide any training or legal counsel to Service Provider or its employees in order for Service Provider to perform the services described in this Agreement.

(2)      Performance of the services described in this Agreement do not have to be integrated into the daily business operations of the City.

(3)      The services described in this Agreement can be performed without the use of City equipment, materials, tools or facilities unless otherwise provided under a separate agreement.

(4)      Nothing in this Agreement shall be interpreted to imply that the City must maintain any contractual relationship with Service Provider on a continuing basis after termination of this Agreement.

(5) The City will not be requested or demanded to assume any liability for the direct payment of any salary, wage or other such compensation to any person employed by Service Provider to perform the services described in this Agreement.

(6) Service Provider shall not at any time or in any manner represent that it or any of its officers, employees, or agents are "employees" of the City.

b. The City represents and acknowledges the following:

(1) Service Provider is not required to comply with daily instructions from City staff with respect to when, where or how Service Provider must perform the services set forth in this Agreement.

(2) Service Provider is solely responsible for determining who, under the supervision or direction of Service Provider, will perform the services set forth in this Agreement.

(3) The City will not hire, supervise or pay any assistants working for Service Provider pursuant to this Agreement.

(4) Nothing in this Agreement shall be interpreted to imply that the Service Provider must maintain any contractual relationship with the City on a continuing basis after termination of this Agreement.

(5) It is the sole responsibility of Service Provider to set the hours in which Service Provider performs or plans to perform the services set forth in this Agreement.

(6) Service Provider is not required to devote full time to the business operations of the City in order to perform the services set forth in this Agreement.

(7) Unless deemed necessary under certain circumstances, Service Provider is not required to perform the services set forth in this Agreement at City Hall or on City-owned property.

(8) Other than attendance at required public meetings and public hearings and complying with procedural requirements set forth by law, Service Provider is not required to perform the services set forth in the Agreement in any particular order or sequence.

(9) Nothing in this Agreement shall be interpreted to preclude Service Provider from working for other persons or firms, provided that such work does not create a conflict of interest.

**Section 9.**                      **NOT AGENT OF THE CITY**

a. Nothing contained in this Agreement shall be deemed, construed or

represented by the City or Service Provider or by any third person to create the relationship of principal and agent.

b. Service Provider shall have no authority, expressed or implied, to act on behalf of the City in any capacity whatsoever as an agent, nor shall Service Provider have any authority, expressed or implied, to bind the City to any obligation whatsoever.

#### **Section 10. QUALIFICATIONS**

Service Provider represents that it has obtained and will maintain at all times during the term of this Agreement all professional and/or business licenses, certifications and/or permits necessary for performing the services described in this Agreement.

#### **Section 11. WARRANTY**

Service Provider warrants that all services will be performed in a competent, professional and satisfactory manner in accordance with the standards prevalent in the industry for such services.

#### **Section 12. FAMILIARITY WITH WORK**

a. By executing this Agreement, Service Provider warrants that (1) it has thoroughly investigated and considered the work to be performed, (2) it has investigated the issues, regarding the scope of services to be provided, (3) it has carefully considered how the work should be performed, and (4) it fully understands the facilities, difficulties and restrictions attending performance of the work under this Agreement.

b. Should Service Provider discover any latent or unknown conditions materially differing from those inherent in the work or as represented by the City, it shall immediately inform the City of such fact and shall not proceed except at Service Provider's risk until written instructions are received from the City Manager or his or her designee.

#### **Section 13. CONFLICTS OF INTEREST**

Service Provider covenants that neither it nor any officer of the corporation has any interest, nor shall it acquire an interest, directly or indirectly, which would conflict in any manner with the performance of Service Provider's services under this Agreement.

#### **Section 14. POLITICAL ACTIVITY**

None of the proceeds of any funding received from the City pursuant to this Agreement shall be used for political activities unless such activities are related to a legislative matter that is officially supported by the City Council via a duly adopted Resolution of Support of the City Council and the proceeds are used to advance or promote the City Council's official position on the subject legislative matter.

**Section 15.**                    **COMPLIANCE WITH LAWS**

Service Provider shall comply with all local, state and federal laws and regulations applicable to the services required hereunder, including any rule, regulation or bylaw governing the conduct or performance of Service Provider and/or its employees, officers, or board members.

**Section 16.**                    **NONDISCRIMINATION**

a.     Service Provider shall comply with the City's employment related nondiscrimination policies as set forth in the City's Municipal Code, as it may be amended from time to time.

b.     Service Provider acknowledges that the City's employment related nondiscrimination policies prohibit discrimination on the basis of an individual's sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation, and domestic partnership status.

**Section 17.**                    **COMPREHENSIVE GENERAL AND AUTOMOBILE LIABILITY INSURANCE**

Service Provider shall procure and maintain at its own expense, during the term of this Agreement, comprehensive general liability insurance of not less than One Million Dollars (\$1,000,000.00) combined single limit per occurrence for bodily injury, personal injury and property damage.

**Section 18.**                    **WORKERS' COMPENSATION INSURANCE**

a.     Service Provider shall procure and maintain at its own expense, during the term of this Agreement, workers' compensation insurance, providing coverage as required by the California State Workers' Compensation Law.

b.     If any class of employees employed by the Service Provider pursuant to this Agreement is not protected by the California State Workers' Compensation Law, Service Provider shall provide adequate insurance for the protection of such employees to the satisfaction of the City.

**Section 19.**                    **LIABILITY INSURANCE**

Service Provider shall procure and maintain through the entire term of this Agreement errors and omissions, professional liability, or directors and officers insurance in an amount deemed acceptable by the City Manager.

**Section 20.**                    **ADDITIONAL NAMED INSURED**

Notwithstanding any inconsistent statement in any required insurance policies or

any subsequent endorsements attached thereto, the protection offered by all policies, except for Workers' Compensation, errors and omissions, professional liability or directors and officers coverage, shall bear an endorsement whereby it is provided that, the City and its officers, employees, servants, volunteers and agents and independent contractors, including without limitation, the City Manager, Deputy City Manager, Administrative Services Director, and City Attorney, are named as additional insureds.

## **Section 21.           WAVIER OF SUBROGATION RIGHTS**

Service Provider shall require the carriers of all required insurance policies to waive all rights of subrogation against the City and its officers, volunteers, employees, contractors and subcontractors.

## **Section 22.           PROOF OF INSURANCE COVERAGE**

a.       Service Provider shall secure from a good and responsible company or companies authorized to do insurance business in the State of California the policies of insurance required by this Agreement and furnish to the City Clerk of the City certificates of said insurance on or before the commencement of the term of this Agreement.

b.       The certificates of insurance shall bear an endorsement whereby it is provided that, in the event of cancellation or amendment of any required insurance policy for any reason whatsoever, the City shall be notified by mail, postage prepaid, not less than thirty (30) days before the cancellation or amendment is effective.

c.       The certificates of insurance shall bear an endorsement whereby it is provided that the respective insurance policy shall not be terminated or expire without first providing thirty (30) days' written notice to the City of such termination or expiration.

d.       The certificates of insurance shall indicate that the respective insurance policy will be maintained throughout the term of this Agreement.

e.       Within thirty (30) days of the execution of this Agreement, Service Provider shall furnish certified copies of all required insurance policies and endorsements.

## **Section 23.           TERMINATION OR SUSPENSION**

a.       This Agreement may be terminated or suspended without cause by either party at any time provided that the respective party provides the other party at least thirty (30) business days' written notice of such termination or suspension.

b.       This Agreement may be terminated or suspended with cause by either party at any time provided that the respective party provides the other party at least ten (10) business days' written notice of such termination or suspension.

c.       In the event of a termination of this Agreement under this Section 15, Service Provider shall provide all documents, reports, data or other work product developed in performance of the Scope of Services

of this Agreement to the City, within ten (10) calendar days of such termination and without additional charge to the City.

**Section 24.**                    **TIME OF THE ESSENCE**

Time is of the essence in the performance of this Agreement.

**Section 25.**                    **INDEMNIFICATION**

a.        Service Provider shall defend, indemnify and hold harmless the City, its officers, employees, representatives and agents, from and against those actions, suits, proceedings, claims, demands, losses, costs and expenses, including legal costs and attorneys' fees, for any personal injuries, deaths, property damage (including property owned by the City) which may arise out of Service Provider's negligent performance of the services described in this Agreement, unless such losses or damages are proven to be caused by the City's own negligence or that of its officers or employees.

b.        The City does not, and shall not, waive any rights that it may have against Service Provider under this Section, because of the acceptance by the City, or the deposit with the City, of any insurance policy or certificate required pursuant to this Agreement. The hold harmless and indemnification provisions of this Section shall apply regardless of whether or not said insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense described herein.

**Section 26.**                    **REPORTS**

Service Provider shall periodically prepare and submit to the City Manager or his or her designee such reports concerning Service Provider's performance of the services required by this Agreement on a quarterly basis commencing one month of the effective date as set forth in the opening paragraph of this Agreement.

**Section 27.**                    **RECORDS**

a.        Service Provider shall keep such books and records as shall be necessary to perform the services required by this Agreement and enable the City Manager or his or her designee to evaluate the cost and the performance of such services.

b.        Books and records pertaining to costs shall be kept and prepared in accordance with generally accepted accounting principals.

c.        The City Manager or his or her designee shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

d.        Records and supporting documents pertaining to the use of funds paid to service provider hereunder shall be retained by Service Provider and made available to



the City Manager or his or her designee for purposes of performing an audit for a period of five (5) years from the date of termination of this Agreement.

**Section 28.**                    **OWNERSHIP OF DOCUMENTS**

a.        Upon completion of any document or report required to be provided by Service Provider in the course of performing any of the services described in this Agreement, or upon earlier termination of this Agreement, all completed original documents and/or reports and any designs, drawings, calculations, diskettes, computer files, notes, and other related materials prepared or produced in connection with such documents or reports shall become the sole property of the City and may be used and/or reused on any other project by the City without the permission of Service Provider.

b.        All computer files produced in connection with the services described in this Agreement shall be provided to the City in a form and format that is compatible with the City's existing computer equipment and software.

**Section 29.**                    **CONFIDENTIALITY**

a.        Any and all documents and information obtained from the City or prepared by Service Provider for the City shall be kept strictly confidential unless otherwise provided by law.

b.        The drawings, specifications, reports, records, documents and other materials prepared by Service Provider in the performance of services under this Agreement shall not be released publicly without the prior written approval of the City Manager or as required by law.

c.        Service Provider shall not disclose to any other entity or person any information regarding the activities of the City, except as required by law or as authorized by the City.

**Section 30.**                    **PRINCIPLE REPRESENTATIVES**

a.        Patti K. Drusky is designated as the principle representative of Service Provider for purposes of communicating with the City on any matter associated with the performance of the services set forth in this Agreement.

b.        The Parks and Recreation Manager shall be the principle representative of the City for purposes of communicating with Service Provider on any matter associated with the performance of the services set forth in this Agreement.

c.        Either party may designate in another individual as its principle representative by giving written notice of such designation to the other party.

d.        It is expressly understood that the experience, knowledge, capability and

reputation of the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Service Provider and devoting sufficient time to personally supervise the services hereunder.

**Section 31.                    MODIFICATIONS AND AMENDMENTS**

This Agreement may be modified or amended only by a written instrument signed by both parties

**Section 32.                    ENTIRE AGREEMENT**

a.     This Agreement supersedes any and all other agreements, either oral or written, between the City and Service Provider with respect to the subject matter of this Agreement.

b.     This Agreement contains all of the covenants and agreements between the parties with respect to the subject matter of this Agreement, and each party to this Agreement acknowledges that no representations, inducements, promises, or agreements have been made by or on behalf of any party except those covenants and agreements embodied in this Agreement.

c.     No agreement, statement, or promise not contained in this Agreement shall be valid or binding.

**Section 33.                    AMBIGUITIES**

This Agreement is in all respects intended by each party hereto to be deemed and construed to have been jointly prepared by the parties and the parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against either of them. Except as expressly limited by this paragraph, all of the applicable rules of interpretation of contract shall govern the interpretation of any uncertainty or ambiguity of this Agreement.

**Section 34.                    NOTICES**

a.     Any notice to be provided pursuant to this Agreement shall be in writing, and all such notices shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid, and addressed to the parties as follows:

To the City:	Don E. Bradley, City Manager City of Cathedral City 68-700 Avenida Lalo Guerrero Cathedral City, California 92234
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To Service Provider:	Patti K. Drusky, Executive Director Cathedral City Chamber of Commerce 68-845 Perez Rd. Suite 6
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b. Notices, payments and other documents shall be deemed delivered upon receipt by personal service or as of the second (2nd) day after deposit in the United States mail.

**Section 35. NON-LIABILITY OF CITY OFFICERS AND EMPLOYEES**

No officer or employee of the City shall be personally liable to Service Provider, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Service Provider or to its successor, or for any breach of any obligation of the terms of this Agreement.

**Section 36. REVIEW BY ATTORNEYS**

Each party hereto has had its attorneys review this Agreement and all related documents. Each party hereto has consulted with its attorneys and has negotiated the terms of this Agreement based on such consultation.

**Section 37. WAIVER**

a. No waiver shall be binding, unless executed in writing by the party making the waiver.

b. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision.

c. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of the right to compel enforcement of the remaining provisions of this Agreement.

**Section 38. ASSIGNMENT**

a. The experience, knowledge, capability and reputation of Service Provider, its principals and employees were a substantial inducement for the City to enter into this Agreement.

b. This Agreement shall not be assigned by either party without prior written consent of the other party.

**Section 39. CARE OF WORK**

The performance of services by Service Provider shall not relieve Service Provider from any obligation to correct any incomplete, inaccurate or defective work at no further cost to the City, when such inaccuracies are due to the negligence of Service Provider.

**Section 40. CAPTIONS AND HEADINGS**

The captions and headings contained in this Agreement are provided for identification purposes only and shall not be interpreted to limit or define the content of the provisions described under the respective caption or heading.

**Section 41. SUCCESSORS, HEIRS AND ASSIGNS**

Except as otherwise expressly provided herein, this Agreement shall be binding upon the successors, endorsees, assigns, heirs, and personal representatives of each of the parties to this Agreement and, likewise, shall inure to the benefit of the successors, endorsees, assigns, heirs, and personal representatives of each of the parties.

**Section 42. GENDER**

In this Agreement, unless the context clearly requires otherwise, the masculine, feminine and neuter genders and the singular and the plural shall include one another.

**Section 43. SEVERABILITY**

If any one or more of the sentences, clauses, paragraphs or sections contained herein is declared invalid, void or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall not affect, impair or invalidate any of the remaining sentences, clauses, paragraphs or sections contained herein.

**Section 44. GOVERNING LAW**

The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties under this Agreement, shall be construed pursuant to and in accordance with California law.

**Section 45. DEFAULT**

a. Failure or delay by any party to this Agreement to perform any material term or provision of this Agreement shall constitute a default under this Agreement; provided however, that if the party who is otherwise claimed to be in default by the other party commences to cure, correct or remedy the alleged default within fifteen (15) calendar days after receipt of written notice specifying such default and shall diligently complete such cure, correction or remedy, such party shall not be deemed to be in default hereunder.

b. The party which may claim that a default has occurred shall give written notice of default to the party in default, specifying the alleged default. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default; provided, however, the injured party shall have no right to exercise any remedy for a default hereunder without delivering the written default notice, as specified herein.

c. Any failure or delay by a party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies associated with a default.

d. In the event that a default of any party to this Agreement may remain uncured for more than fifteen (15) calendar days following written notice, as provided above, a "breach" shall be deemed to have occurred. In the event of a breach, the injured party shall be entitled to seek any appropriate remedy or damages by initiating legal proceedings.

**Section 46.**                    **CUMULATIVE REMEDIES**

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default of any other default by the other party.

**Section 47.**                    **VENUE**

All proceedings involving disputes over the terms, provisions, covenants or conditions contained in this Agreement and all proceedings involving any enforcement action related to this Agreement shall be initiated and conducted in the applicable court or forum in Riverside County, California.

**Section 48.**                    **ATTORNEY'S FEES**

In the event any action, suite or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, the prevailing party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, from the losing party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

**Section 49.**                    **EFFECTIVENESS OF AGREEMENT**

This Agreement shall not be binding upon the City, until signed by the authorized representative(s) of Service Provider, approved by the City Council of the City of Cathedral City, approved as to form by the City Attorney for the City of Cathedral City and executed by the City Manager of the City of Cathedral City.

**Section 50.**                    **REPRESENTATIONS OF PARTIES AND PERSONS EXECUTING AGREEMENT**

(a) Each of the parties to this Agreement hereby represents that all necessary and appropriate actions of their governing bodies have been taken to make this Agreement a binding obligation of each of the parties hereto.

(b) The persons executing this Agreement warrant that they are duly authorized to execute this Agreement on behalf of and bind the parties each purports to represent.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates written below.

City of Cathedral City:

By: \_\_\_\_\_  
Donald E. Bradley, City Manager

By:  \_\_\_\_\_  
Dudley Haines, Risk Manager

ATTEST:

By: \_\_\_\_\_  
Donna M. Velotta, City Clerk

Cathedral City Chamber of Commerce:

By: \_\_\_\_\_  
Patti K. Drusky

By: \_\_\_\_\_  
Phillip Flickinger, Chairman

By: \_\_\_\_\_  
Kristal Granados, Treasurer

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Steven B. Quintanilla, City Attorney

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# Exhibit “A”

## Scope of Services



68-845 Perez Rd., Suite 6 Cathedral City, CA 92234-7254  
(760) 328-1213 Fax (760) 321-0659  
[Info@cathedralcitycc.com](mailto:Info@cathedralcitycc.com) [www.cathedralcitycc.com](http://www.cathedralcitycc.com)

**To:** Anthony Barton  
Special Projects Administrator, City of Cathedral City

**From:** Patti K. Drusky  
President/CEO, Cathedral City Chamber of Commerce

**Subject:** Cathedral City Chamber of Commerce Community Service  
Partnership Program 2001-2002

**Date:** September 24, 2001

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It is the desire of the Cathedral City Chamber of Commerce to continue the Community Service Partnership with the City of Cathedral City in the 2001-2002 fiscal year. The Chamber's work in the community continues to increase and positively impact Cathedral City at large. Our objectives are to attract, develop, promote and retain local businesses through communication, networking, training, and programs. As we influence public policy and communicate legislative issues and their impact on our local businesses, we are creating economic development strategies that provide Cathedral City the opportunity for growth and profit. Our interaction with public officials at all levels ensures local business input and representation. The Chamber promotes excellence in education and community service by developing mutually beneficial programs between the business and academic communities. The excellent working relationship between the City and the Chamber assures this partnership agreement ongoing success.

Attached is a description of the scope of services the Chamber will be providing to the City and the community. We are asking the City for an annual contribution of \$21,000.00 to the Chamber of Commerce for the services provided in the 2001-2002 fiscal year.

If you have any questions or suggestions, please do not hesitate to contact me. The Cathedral City Chamber of Commerce looks forward to another productive and rewarding partnership year with the Cathedral City staff and City Council.



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## **CATHEDRAL CITY CHAMBER OF COMMERCE**

### **Community Service Program**

### **Fiscal Year 2001-2002**

The Cathedral City Chamber of Commerce continues to promote a positive business climate in Cathedral City and the Coachella Valley. Along with our economic development and business retention efforts, the Chamber, through events and services actively encourages community involvement and pride. Projects and events planned for the 2001-2002 year will include:

- **Business of the Year, Citizen of the Year and, Athena Awards:** The Business and Citizen of the Year awards were developed to honor a business and citizen of Cathedral City that has shown outstanding involvement and dedication to the City and the Chamber. The Athena Award Program was created to bring into focus the outstanding professional and businesswomen in the community, and to encourage leadership opportunities for women.
- **Cathedral City Open Pro-Am:** This annual golf tournament has become known as an annual favorite in the Coachella Valley, attracting 120-140 golfers. It provides an excellent occasion to invite out-of-towners to Cathedral City and introduce them to just how much our City has to offer.
- **Kaleidoscope Festival:** This event brings together pieces of many different cultures through entertainment, unique arts and crafts, ethnic cuisine, vendors and activities that promote cultural awareness and diversity. It's an opportunity to bring people from various cultures and lifestyles together in the spirit of community. It's a chance to show residents and visitors that we are proud of the area's diversity and rich heritage as Cathedra City embraces and celebrates its vast cultural resources.
- **Valley-Wide Business Reception:** The all valley mixer hosted by the Coachella Valley Chambers of Commerce and held at the Palm Springs Desert Museum is one of the most popular events for valley-wide businesses. Although this event is not held in Cathedral City, it does afford an excellent venue for businesses and residents throughout the entire valley to become acquainted with Cathedral City businesses and business opportunities.
- **Education Partnership:** Through the Education Committee, the Chamber works in harmony with the Palm Springs Unified School District. Such efforts are important to insure a future qualified workforce. In the 2001-2002 year, the Chamber will focus on three projects:
  1. **Student/Business Partnership Project:** To assure a better-qualified local workforce pool, the Chamber has partnered with Cathedral City High School to present this program. Combining classroom education with job shadowing experience this course offers high school students and local business owners the opportunity to work and train together. This course, which is offered at Cathedral City High School began in September 2000, and provides students with opportunities to develop employment skills and knowledge about occupations through job shadowing with local businesses and organizations. The student will focus on career awareness, employability, management, and leadership skills as applied to particular occupations. Results of the 1999 Business Visitation Survey indicated that our local employers are experiencing a lack of "employable" applicants when searching for a prospective employee. The survey showed that job applicants depict a deficiency of basic work skills and ethics. Through the Student/Business Partner Project the local business owner becomes a part of the solution. By participating in the job-shadowing component of this program, a business owner or manager has the opportunity to train, experience, and

evaluate a prospective employee with no financial risk. By becoming a job-shadowing employer the local business is assisting in developing a qualified workforce group that will benefit their business as well as other local employers.

2. Choices: A new program slated to be launched at the middle schools this year. Using a wide spectrum of professions and careers, local businessmen and women combine experience and hands-on involvement with the students that help illustrate the many choices available to individuals based on interest and education. This exercise is aimed at initiating students to begin considering career choices, as well as, motivate them to stay in school.

3. Careers for Kids: This is a project geared for the 5<sup>th</sup> grade level and intended to motivate children to stay in school and to begin to think about career choices. Students tour a number of Cathedral City businesses and observe the many different job positions it takes to run a range of operations. The children have a wonderful time meeting the employees and learning what they do. The businesses enjoy exposing our youth to a variety of occupations the children may otherwise not consider. "Careers for Kids" is a terrific learning experience for everyone involved.

- **Diversity Committee**: The Chamber of Commerce strongly believes that diversity is one of Cathedral City's greatest assets. The Diversity Committee will accurately and fairly represent all the segments of our culturally rich and varied population. Diversity Committee members will work as a team to help develop community programs designed to enrich our unique ethnic make-up. These programs will seek to educate, enlighten and facilitate dialogue on relevant topics affecting our diverse population through speakers, workshops, and events. Committee members will be involved in the creation and implementation of projects that enhance diversity. They will also serve as advisors on upcoming projects (i.e. the Arbors) that reflect our diverse cultures and lifestyles.
- **Business Breakfast and Mixers**: These two monthly activities are prime networking and social opportunities for our business and community members. With an informational guest speaker, the breakfast meetings offer a venue to keep the business community informed on topics that could impact their business. The mixers are located at a different site each month and provide a casual environment for local business people to become acquainted, exchange ideas, and gather referrals.
- **Information Center**: Cathedral City does not currently have a Visitor Information Center, so the Chamber provides tourist information and directional services, as well as, relocation information and business start-up requirements. To address the volume of requests, the Chamber has developed an impressive pool of reference materials that is readily available to all seeking information. The inventory covers topics ranging from bike paths, to rental availability, to city services, with over eighty stock brochures on local and regional attractions. A significant portion of inquiries is for information pertaining to the City.

# Exhibit “B”

## Performance Schedule

**CATHEDRAL CITY CHAMBER OF COMMERCE**  
**Community Service Program – Performance Schedule**  
**Fiscal Year 2001-2002**

- Business of the Year, Citizen of the Year and, Athena Awards: The nomination process for these awards will begin in October 2001. The ceremony to present the awards to the successful recipients will be held in January 2002.
- Cathedral City Open Pro-Am: This annual golf tournament will be held in September 2001
- Kaleidoscope Festival: The planning process will begin in October 2001, with the event to be held in the spring of 2002.
- Valley-Wide Business Reception: Scheduled for September 2001.
- Education Partnership: 1. The Student/Business Partnership Project will be a class held at Cathedral City High School throughout the 2001-2002 school year. 2. Choices: Leadership training will be held in October 2001 with presentations at participating middle schools before January 2002. Careers for Kids will begin at participating elementary schools in November 2001.
- Diversity Committee: This committee will begin meeting in September 2001 and continue to meet monthly throughout the 2001-2002 fiscal year.
- Business Breakfasts and Mixers: Breakfast meetings will be held the fourth Tuesday of every month with the exclusion of December. Mixers will be held the fourth Thursday of every month with a holiday party in December.
- Information Center: The information center is located in the Chamber office and is open to the public Monday through Friday, 9:00 a.m. to 4:00 p.m.

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## **CATHEDRAL CITY CHAMBER OF COMMERCE**

### **Community Service Program – Fourth Quarter Report**

### **Fiscal Year 2000-2001**

- Business of the Year, Citizen of the Year, and Athena Awards: Nomination applications for all three categories were distributed in the month of September. Nominees for Business and Citizen of the Year were placed on the ballot along with the nominees for the Board of Directors that went out early November. The business community selected Sam's Club for Business of the Year and George Stettler for Citizen of the Year. Nominees for Athena went to the selection committee for it's grading process. The Athena recipient, Kendall Berkey was announced at the Chamber's Installation Gala on January 19, 2001, where all three categories received recognition including presentations from local, state and national legislators.
- Cathedral City Pro-Am Open: This all-time favorite event was held on September 6, 2000 at the Desert Princess Country Club. Over 100 golfers turned out to play. It was a beautiful day, beginning with a continental breakfast and putting contest. The shotgun start was at 8:00 a.m. An "on the course" barbeque lunch greeted the golfers as they began the second half of their game. The Desert Princess hosted a lovely awards dinner, where more than 90 attendees enjoyed an evening of awards, prizes, music and great food.
- Kaleidoscope Festival: Celebrating the cultural diversity of the City of Cathedral City and surrounding communities with a focus on Martin Luther King Jr.'s dream of unity and harmony. The festival which took place January 13 and 14, brought together people from all lifestyles to enjoy the community spirit, arts and crafts, activities for children, fabulous food, music, live entertainment, and hot air balloon rides.
- Valley-Wide Business Reception: Again the Palm Springs Desert Museum hosted the Valley-Wide Business mixer on September 19, 2000. Although the event was not held in Cathedral City this year, the Chamber invited all Cathedral City businesses and there was a Cathedral City display table with local information and brochures.
- Sister City Program: The Chamber continues to provide participation to this City program. Chairman of the Board, Phillip Flickinger attended the Sister City Annual Conference in Tequila-Jalisco, Mexico in early December.
- Education Partnership: September was the kick-off of the new Student Business Partnership Project at Cathedral City High School. More than 30 students signed up to take the class that partners the business community with high school students in a job shadowing/classroom training workforce development curriculum. - Careers for Kids began with Cathedral City Elementary and Agua Caliente Elementary on November 14<sup>th</sup> and December 5<sup>th</sup>. More than 250 fifth graders visited Sam's Club and PFF Bank where they toured and learned about the many different jobs it takes to run these very different operations. The goal was to motivate children to stay in school, and to begin to think about career choices.
- Business Breakfast and Mixers: Attendance at the breakfast meetings and mixers continues to grow each month. Business breakfasts meetings include an informative speaker providing information to the business community on critical topics of professional and community interest. Mixers allow the business population and community at large an opportunity to network and socialize. Businesses who

are mixer hosts are able to highlight their business and allow the community to get acquainted with the services and products they provide.

Business Breakfasts Speakers:

Marianne Archibald, Desert Post Weekly – “Trends”  
Ray Acree, Cal/Osha – Services provided by Cal/Osha  
Judge Douglas Miller – Riverside County Jury System  
Mayor and City Council Candidates  
Andrew Young, enXco – Wind Energy  
Kathleen DeRosa, SCE – Energy Future  
Chamber Committee Reports and Updates  
Grover Trask, District Attorney – Prosecution & Restitution  
Rick P. Lantz, Mediator – Mediation vs. Arbitration  
Darren Webster – Energy Conservation Tips  
Vicki Reynolds, SBA – Business Development Programs

Mixer Locations:

Beer Hunter  
Outdoor Resorts  
Desert IMAX  
Palm Springs Mortuary  
Cathedral City Boxing Club  
Hi-Lites Salon & Day Spa  
Comfort Suites  
Morris Desert Media Group  
Legacy Rooms Express  
First Community Bank  
Cathedral Canyon Country Club

- Information Center: Cathedral City does not currently have a Visitor Information Center, so the Chamber provides tourist information and directional services, as well as, relocation information and business start-up requirements. To address the volume of requests, the Chamber has developed an impressive pool of reference materials that is readily available to all seeking information. The inventory covers topics ranging from bike paths, to rental availability, to city services, with over eighty stock brochures on local and regional attractions. A significant portion of inquiries is for information pertaining to the City. The following numbers are for the 2000-2001 fiscal year:

Logged Calls: 16,637

Logged Visitors: 3,354

Information Distribution: 12,407

<b>ACORD CERTIFICATE OF LIABILITY INSURANCE</b>		DATE (MM/DD/YY) 12/18/00
PRODUCER	HRH INSURANCE SERVICES OF SOUTHERN CALIFORNIA 77-564 COUNTRY CLUB DR SUITE #401 PALM DESERT, CA 92211 (877) 411-0770 SV230 700	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
INSURED	CATHEDRAL CITY CHAMBER 68-845 PEREZ RD NO. # 6 CATHEDRAL CITY, CA 92234	<b>INSURERS AFFORDING COVERAGE</b> INSURER A: The Travelers Indemnity Company of Illinois INSURER B: N/A INSURER C: N/A INSURER D: N/A INSURER E: N/A

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	660-459P1275-00	12/29/2000	12/29/2001	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire) \$ 100,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$ 5,000
					PERSONAL & ADV INJURY \$ 1,000,000
	GENERAL AGGREGATE \$ 2,000,000				PRODUCTS-COMP/OP AGG \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC				
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident) \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
	HIRE AUTOS				
	NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	ANY AUTO				OTHER THAN EA ACC \$
					AUTO ONLY: AGG \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$
					\$
	DEDUCTIBLE				\$
	RETENTION \$				\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS \$ EL EACH ACCIDENT \$ EL DISEASE - EA EMPLOYEE \$ EL DISEASE - POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS  
 CLUB

<b>CERTIFICATE HOLDER</b> CITY OF CATHEDRAL CITY 68-700 AVENIDA LALO GUERRERO CATHEDRAL CITY, CA 92234	<b>ADDITIONAL INSURED; INSURER LETTER:</b>  <b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE
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**CITY OF CATHEDRAL CITY  
AGENDA REPORT**

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**SUBJECT: SERVICE PROVIDER AGREEMENT RELATIVE TO THE PROPOSED  
BUSINESS RESOURCE PROGRAM ASPECT OF THE CATHEDRAL  
CITY CHAMBER OF COMMERCE ECONOMIC DEVELOPMENT  
PARTNERSHIP PROGRAM 2001-2002**

**DEPARTMENT:** Economic Development **MEETING DATE:** Oct. 10, 2001  
**CONTACT PERSON:** Paul Shillcock **DEADLINE FOR ACTION:** Oct. 10, 2001

**APPROVED:**

*Paul Shillcock*  
Department

*D. S. Bentley*  
City Manager

*[Signature]*  
Finance

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**RECOMMENDATION:** Approve the Service Provider Agreement with the Cathedral City Chamber of Commerce related to the proposed Business Resource Program aspect of the Chamber's Economic Development Partnership effort, and authorize payment for services from funds included in the FY 2001-2002 budget

**BACKGROUND:**

For the past several years the City of Cathedral City has worked in partnership with the Cathedral City Chamber of Commerce to provide services to the business community that are designed to strengthen the local economy and insure the continued viability of businesses located in the City. This effort has included the provision of seminars, distribution of pertinent business information, response to inquiries, general business outreach, etc.

Staff believes the services provided by the Chamber of Commerce are extremely valuable and should be continued. This applies especially to the Student/Business Partnership Project, the "California Friendly" training, and the Business Outreach Program. Attached is a complete Scope of Work for the Fiscal Year 2001-2002 Business Resource Program.

The Chamber, in accordance with the attached Scope, will organize and manage the annual Business Expo and Economic Development Summit, initiate an effort to establish a strong image for the Perez Road corridor as a Design Center, and produce a new and updated City map under the Business Outreach Program.

The Chamber will also continue to disseminate information in response to inquiries and publish the annual Business Directory.



It is the opinion of staff that the Chamber of Commerce has performed well in the past and has delivered all of the services that were to be provided under the contracts. The staff at the Chamber office is highly qualified and includes a “Certified Chamber of Commerce Executive” and a graduate from the U.S. Chamber of Commerce Institute for Organizational Management.

It is staff’s opinion that the Chamber of Commerce is financially sound and has a history of providing detailed audits or other support documentation upon request.

Therefore, staff recommends approval of the scope of work included in the proposed Business Resource Program of the Chamber’s Economic Development Partnership Program for 2001-2002 and requests authorization to expend the funds currently included in the FY 2001-2002 budget.

#### **FISCAL IMPACT:**

The requested funds, in the amount of thirty thousand dollars (\$30,000.00), are currently included in the Fiscal Year 2001-2002 budget. Funds are budgeted in account number 313-241-8601 (Economic Development – Professional and Technical Services).

#### **ALTERNATIVES:**

**City assumes responsibility for providing outlined services:** Currently, staff is fully utilized managing projects and providing a consistent level of City services. The addition of those services provided by the Chamber, especially in the Business Retention and Business Outreach areas of the Scope, would require additional staff, including staff coverage on Fridays when the Chamber reports the highest volume of inquiries and requests for information.

#### **ATTACHMENTS:**

Service Provider Agreement  
Proposed Cathedral City Chamber of Commerce Business Resource Program-Scope of Services (attachment “A”)  
Performance Schedule (attachment “B”)  
Certificate of Liability Insurance

**SERVICE PROVIDER AGREEMENT  
BY AND BETWEEN  
THE CITY OF CATHEDRAL CITY  
AND  
Cathedral City Chamber of Commerce**

**THIS SERVICE PROVIDER AGREEMENT, is made and entered into this 10th day of October, 2001, by and between the City of Cathedral City, a municipal corporation located in the County of Riverside, State of California, hereinafter referred to as the "City", and Cathedral City Chamber of Commerce, a California [501(c) (6)] nonprofit corporation, hereinafter referred to as "Service Provider".**

**RECITALS:**

**WHEREAS,** the Cathedral City Chamber Commerce wishes to continue to provide services to the City of Cathedral City under the Community Services Program; and

**WHEREAS,** in light of the facts set forth above, the City desires to retain the services of a qualified service provider to provide, on an independent contractor's basis, services in connection with the Cathedral City Chamber of Commerce and the services that are to be provided to the City as a whole as outlined in the Business Resource Program portion of the Scope of Services.

**NOW THEREFORE, IN CONSIDERATION OF THE COVENANTS, CONDITIONS AND PROMISES CONTAINED HEREIN AND FOR SUCH OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:**

**Section 1.            RECITALS**

The Recitals set forth above are true and correct and are hereby incorporated into this Agreement by this reference, as though set forth herein.

**Section 2.            SCOPE OF SERVICES**

Service Provider shall provide to the City those services as set forth in the "Scope of Services", attached hereto as Exhibit "A", and incorporated herein by this reference as though set forth at length.

**Section 3.            COMPENSATION**

The City shall pay a total amount of **\$30,000** for the services rendered by Service

Provider pursuant to this Agreement.

**Section 4.                    PAYMENT SCHEDULE**

The City shall pay Service Provider in quarterly payments being July 1, 2001 and commencing every quarter thereafter until the total sum has been paid. Payment Schedule should be as follows; Payment 1 – On or about July 1, 2001. Payment 2 – On or about October 1, 2001. Payment 3 – On or about January 1, 2002. Payment 4 – On or about April 1, 2002. All Payments are subject to the Quarterly Reports submittal process and approvals.

**Section 5.                    PERFORMANCE SCHEDULE**

Service Provider shall perform those services set forth in the Scope of Services pursuant to the "Performance Schedule" attached hereto as Exhibit "B", and incorporated herein by this reference as though set forth at length.

**Section 6.                    TERM OF AGREEMENT**

This Agreement shall be for a term of 12 months, commencing on July 1, 2001.

**Section 7.                    INDEPENDENT CONTRACTOR'S STATUS**

Service Provider shall at all times during the term of this Agreement perform the services described in this Agreement as an independent contractor.

**Section 8.                    REPRESENTATIONS     AND     ACKNOWLEDGMENTS  
REGARDING INDEPENDENT CONTRACTOR'S STATUS OF  
SERVICE PROVIDER**

a.     Service Provider represents and acknowledges the following:

(1)     The City is not required to provide any training or legal counsel to Service Provider or its employees in order for Service Provider to perform the services described in this Agreement.

(2)     Performance of the services described in this Agreement do not have to be integrated into the daily business operations of the City.

(3)     The services described in this Agreement can be performed without the use of City equipment, materials, tools or facilities unless otherwise provided under a separate agreement.

(4)     Nothing in this Agreement shall be interpreted to imply that the City must maintain any contractual relationship with Service Provider on a continuing basis after termination of this Agreement.

(5) The City will not be requested or demanded to assume any liability for the direct payment of any salary, wage or other such compensation to any person employed by Service Provider to perform the services described in this Agreement.

(6) Service Provider shall not at any time or in any manner represent that it or any of its officers, employees, or agents are "employees" of the City.

b. The City represents and acknowledges the following:

(1) Service Provider is not required to comply with daily instructions from City staff with respect to when, where or how Service Provider must perform the services set forth in this Agreement.

(2) Service Provider is solely responsible for determining who, under the supervision or direction of Service Provider, will perform the services set forth in this Agreement.

(3) The City will not hire, supervise or pay any assistants working for Service Provider pursuant to this Agreement.

(4) Nothing in this Agreement shall be interpreted to imply that the Service Provider must maintain any contractual relationship with the City on a continuing basis after termination of this Agreement.

(5) It is the sole responsibility of Service Provider to set the hours in which Service Provider performs or plans to perform the services set forth in this Agreement.

(6) Service Provider is not required to devote full time to the business operations of the City in order to perform the services set forth in this Agreement.

(7) Unless deemed necessary under certain circumstances, Service Provider is not required to perform the services set forth in this Agreement at City Hall or on City-owned property.

(8) Other than attendance at required public meetings and public hearings and complying with procedural requirements set forth by law, Service Provider is not required to perform the services set forth in the Agreement in any particular order or sequence.

(9) Nothing in this Agreement shall be interpreted to preclude Service Provider from working for other persons or firms, provided that such work does not create a conflict of interest.

**Section 9. NOT AGENT OF THE CITY**

a. Nothing contained in this Agreement shall be deemed, construed or represented by the City or Service Provider or by any third person to create the relationship of principal and agent.

b. Service Provider shall have no authority, expressed or implied, to act on behalf of the City in any capacity whatsoever as an agent, nor shall Service Provider have any authority, expressed or implied, to bind the City to any obligation whatsoever.

**Section 10. QUALIFICATIONS**

Service Provider represents that it has obtained and will maintain at all times during the term of this Agreement all professional and/or business licenses, certifications and/or permits necessary for performing the services described in this Agreement.

**Section 11. WARRANTY**

Service Provider warrants that all services will be performed in a competent, professional and satisfactory manner in accordance with the standards prevalent in the industry for such services.

**Section 12. FAMILIARITY WITH WORK**

a. By executing this Agreement, Service Provider warrants that (1) it has thoroughly investigated and considered the work to be performed, (2) it has investigated the issues, regarding the scope of services to be provided, (3) it has carefully considered how the work should be performed, and (4) it fully understands the facilities, difficulties and restrictions attending performance of the work under this Agreement.

b. Should Service Provider discover any latent or unknown conditions materially differing from those inherent in the work or as represented by the City, it shall immediately inform the City of such fact and shall not proceed except at Service Provider's risk until written instructions are received from the City Manager or his or her designee.

**Section 13. CONFLICTS OF INTEREST**

Service Provider covenants that neither it nor any officer of the corporation has any interest, nor shall it acquire an interest, directly or indirectly, which would conflict in any manner with the performance of Service Provider's services under this Agreement.

**Section 14. POLITICAL ACTIVITY**

None of the proceeds of any funding received from the City pursuant to this Agreement shall be used for political activities unless such activities are related to a legislative matter that is officially supported by the City Council via a duly adopted

Resolution of Support of the City Council and the proceeds are used to advance or promote the City Council's official position on the subject legislative matter.

**Section 15.**                    **COMPLIANCE WITH LAWS**

Service Provider shall comply with all local, state and federal laws and regulations applicable to the services required hereunder, including any rule, regulation or bylaw governing the conduct or performance of Service Provider and/or its employees, officers, or board members.

**Section 16.**                    **NONDISCRIMINATION**

a.     Service Provider shall comply with the City's employment related nondiscrimination policies as set forth in the City's Municipal Code, as it may be amended from time to time.

b.     Service Provider acknowledges that the City's employment related nondiscrimination policies prohibit discrimination on the basis of an individual's sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation, and domestic partnership status.

**Section 17.**                    **COMPREHENSIVE GENERAL AND AUTOMOBILE LIABILITY INSURANCE**

Service Provider shall procure and maintain at its own expense, during the term of this Agreement, comprehensive general liability insurance of not less than One Million Dollars (\$1,000,000.00) combined single limit per occurrence for bodily injury, personal injury and property damage.

**Section 18.**                    **WORKERS' COMPENSATION INSURANCE**

a.     Service Provider shall procure and maintain at its own expense, during the term of this Agreement, workers' compensation insurance, providing coverage as required by the California State Workers' Compensation Law.

b.     If any class of employees employed by the Service Provider pursuant to this Agreement is not protected by the California State Workers' Compensation Law, Service Provider shall provide adequate insurance for the protection of such employees to the satisfaction of the City.

**Section 19.**                    **LIABILITY INSURANCE**

Service Provider shall procure and maintain through the entire term of this Agreement errors and omissions, professional liability, or directors and officers insurance in an amount deemed acceptable by the City Manager.

**Section 20.**                    **ADDITIONAL NAMED INSURED**

Notwithstanding any inconsistent statement in any required insurance policies or any subsequent endorsements attached thereto, the protection offered by all policies, except for Workers' Compensation, errors and omissions, professional liability or directors and officers coverage, shall bear an endorsement whereby it is provided that, the City and its officers, employees, servants, volunteers and agents and independent contractors, including without limitation, the City Manager, Deputy City Manager, Administrative Services Director, and City Attorney, are named as additional insureds.

**Section 21.**                    **WAVIER OF SUBROGATION RIGHTS**

Service Provider shall require the carriers of all required insurance policies to waive all rights of subrogation against the City and its officers, volunteers, employees, contractors and subcontractors.

**Section 22.**                    **PROOF OF INSURANCE COVERAGE**

- a. Service Provider shall secure from a good and responsible company or companies authorized to do insurance business in the State of California the policies of insurance required by this Agreement and furnish to the City Clerk of the City certificates of said insurance on or before the commencement of the term of this Agreement.
- b. The certificates of insurance shall bear an endorsement whereby it is provided that, in the event of cancellation or amendment of any required insurance policy for any reason whatsoever, the City shall be notified by mail, postage prepaid, not less than thirty (30) days before the cancellation or amendment is effective.
- c. The certificates of insurance shall bear an endorsement whereby it is provided that the respective insurance policy shall not be terminated or expire without first providing thirty (30) days' written notice to the City of such termination or expiration.
- d. The certificates of insurance shall indicate that the respective insurance policy will be maintained throughout the term of this Agreement.
- e. Within thirty (30) days of the execution of this Agreement, Service Provider shall furnish certified copies of all required insurance policies and endorsements.

**Section 23.**                    **TERMINATION OR SUSPENSION**

- a. This Agreement may be terminated or suspended without cause by either party at any time provided that the respective party provides the other party at least thirty (30) business days' written notice of such termination or suspension.
- b. This Agreement may be terminated or suspended with cause by either party

at any time provided that the respective party provides the other party at least ten (10) business days' written notice of such termination or suspension.

c. In the event of a termination of this Agreement under this Section 15, Service Provider shall provide all documents, reports, data or other work product developed in performance of the Scope of Services of this Agreement to the City, within ten (10) calendar days of such termination and without additional charge to the City.

#### **Section 24. TIME OF THE ESSENCE**

Time is of the essence in the performance of this Agreement.

#### **Section 25. INDEMNIFICATION**

a. Service Provider shall defend, indemnify and hold harmless the City, its officers, employees, representatives and agents, from and against those actions, suits, proceedings, claims, demands, losses, costs and expenses, including legal costs and attorneys' fees, for any personal injuries, deaths, property damage (including property owned by the City) which may arise out of Service Provider's negligent performance of the services described in this Agreement, unless such losses or damages are proven to be caused by the City's own negligence or that of its officers or employees.

b. The City does not, and shall not, waive any rights that it may have against Service Provider under this Section, because of the acceptance by the City, or the deposit with the City, of any insurance policy or certificate required pursuant to this Agreement. The hold harmless and indemnification provisions of this Section shall apply regardless of whether or not said insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense described herein.

#### **Section 26. REPORTS**

Service Provider shall periodically prepare and submit to the City Manager or his or her designee such reports concerning Service Provider's performance of the services required by this Agreement on a quarterly basis commencing one month from the effective date as set forth in the opening paragraph of this Agreement.

#### **Section 27. RECORDS**

a. Service Provider shall keep such books and records as shall be necessary to perform the services required by this Agreement and enable the City Manager or his or her designee to evaluate the cost and the performance of such services.

b. Books and records pertaining to costs shall be kept and prepared in accordance with generally accepted accounting principals.



c. The City Manager or his or her designee shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

d. Records and supporting documents pertaining to the use of funds paid to service provider hereunder shall be retained by Service Provider and made available to the City Manager or his or her designee for purposes of performing an audit for a period of five (5) years from the date of termination of this Agreement.

## **Section 28. OWNERSHIP OF DOCUMENTS**

a. Upon completion of any document or report required to be provided by Service Provider in the course of performing any of the services described in this Agreement, or upon earlier termination of this Agreement, all completed original documents and/or reports and any designs, drawings, calculations, diskettes, computer files, notes, and other related materials prepared or produced in connection with such documents or reports shall become the sole property of the City and may be used and/or reused on any other project by the City without the permission of Service Provider.

b. All computer files produced in connection with the services described in this Agreement shall be provided to the City in a form and format that is compatible with the City's existing computer equipment and software.

## **Section 29. CONFIDENTIALITY**

a. Any and all documents and information obtained from the City or prepared by Service Provider for the City shall be kept strictly confidential unless otherwise provided by law.

b. The drawings, specifications, reports, records, documents and other materials prepared by Service Provider in the performance of services under this Agreement shall not be released publicly without the prior written approval of the City Manager or as required by law.

c. Service Provider shall not disclose to any other entity or person any information regarding the activities of the City, except as required by law or as authorized by the City.

## **Section 30. PRINCIPLE REPRESENTATIVES**

a. Patti K. Drusky is designated as the principle representative of Service Provider for purposes of communicating with the City on any matter associated with the performance of the services set forth in this Agreement.

b. The Economic Development Manager shall be the principle representative

of the City for purposes of communicating with Service Provider on any matter associated with the performance of the services set forth in this Agreement.

c. Either party may designate in another individual as its principle representative by giving written notice of such designation to the other party.

d. It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Service Provider and devoting sufficient time to personally supervise the services hereunder.

### **Section 31.                    MODIFICATIONS AND AMENDMENTS**

This Agreement may be modified or amended only by a written instrument signed by both parties

### **Section 32.                    ENTIRE AGREEMENT**

a. This Agreement supersedes any and all other agreements, either oral or written, between the City and Service Provider with respect to the subject matter of this Agreement.

b. This Agreement contains all of the covenants and agreements between the parties with respect to the subject matter of this Agreement, and each party to this Agreement acknowledges that no representations, inducements, promises, or agreements have been made by or on behalf of any party except those covenants and agreements embodied in this Agreement.

c. No agreement, statement, or promise not contained in this Agreement shall be valid or binding.

### **Section 33.                    AMBIGUITIES**

This Agreement is in all respects intended by each party hereto to be deemed and construed to have been jointly prepared by the parties and the parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against either of them. Except as expressly limited by this paragraph, all of the applicable rules of interpretation of contract shall govern the interpretation of any uncertainty or ambiguity of this Agreement.

### **Section 34.                    NOTICES**

a. Any notice to be provided pursuant to this Agreement shall be in writing, and all such notices shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid, and addressed to the parties as follows:

To the City: Don E. Bradley, City Manager  
City of Cathedral City  
68-700 Avenida Lalo Guerrero  
Cathedral City, California 92234

To Service Provider: Patti K. Drusky, Executive Director  
Cathedral City Chamber of Commerce  
68-845 Perez Rd. Suite 6  
Cathedral City, CA 92234

b. Notices, payments and other documents shall be deemed delivered upon receipt by personal service or as of the second (2nd) day after deposit in the United States mail.

**Section 35.**            **NON-LIABILITY OF CITY OFFICERS AND EMPLOYEES**

No officer or employee of the City shall be personally liable to Service Provider, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Service Provider or to its successor, or for any breach of any obligation of the terms of this Agreement.

**Section 36.**            **REVIEW BY ATTORNEYS**

Each party hereto has had its attorneys review this Agreement and all related documents. Each party hereto has consulted with its attorneys and has negotiated the terms of this Agreement based on such consultation.

**Section 37.**            **WAIVER**

a. No waiver shall be binding, unless executed in writing by the party making the waiver.

b. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision.

c. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of the right to compel enforcement of the remaining provisions of this Agreement.

**Section 38.**            **ASSIGNMENT**

a. The experience, knowledge, capability and reputation of Service Provider, its principals and employees were a substantial inducement for the City to enter into this Agreement.

b. This Agreement shall not be assigned by either party without prior written consent of the other party.

**Section 39. CARE OF WORK**

The performance of services by Service Provider shall not relieve Service Provider from any obligation to correct any incomplete, inaccurate or defective work at no further cost to the City, when such inaccuracies are due to the negligence of Service Provider.

**Section 40. CAPTIONS AND HEADINGS**

The captions and headings contained in this Agreement are provided for identification purposes only and shall not be interpreted to limit or define the content of the provisions described under the respective caption or heading.

**Section 41. SUCCESSORS, HEIRS AND ASSIGNS**

Except as otherwise expressly provided herein, this Agreement shall be binding upon the successors, endorsees, assigns, heirs, and personal representatives of each of the parties to this Agreement and, likewise, shall inure to the benefit of the successors, endorsees, assigns, heirs, and personal representatives of each of the parties.

**Section 42. GENDER**

In this Agreement, unless the context clearly requires otherwise, the masculine, feminine and neuter genders and the singular and the plural shall include one another.

**Section 43. SEVERABILITY**

If any one or more of the sentences, clauses, paragraphs or sections contained herein is declared invalid, void or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall not affect, impair or invalidate any of the remaining sentences, clauses, paragraphs or sections contained herein.

**Section 44. GOVERNING LAW**

The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties under this Agreement, shall be construed pursuant to and in accordance with California law.

**Section 45. DEFAULT**

a. Failure or delay by any party to this Agreement to perform any material term or provision of this Agreement shall constitute a default under this Agreement; provided

however, that if the party who is otherwise claimed to be in default by the other party commences to cure, correct or remedy the alleged default within fifteen (15) calendar days after receipt of written notice specifying such default and shall diligently complete such cure, correction or remedy, such party shall not be deemed to be in default hereunder.

b. The party which may claim that a default has occurred shall give written notice of default to the party in default, specifying the alleged default. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default; provided, however, the injured party shall have no right to exercise any remedy for a default hereunder without delivering the written default notice, as specified herein.

c. Any failure or delay by a party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies associated with a default.

d. In the event that a default of any party to this Agreement may remain uncured for more than fifteen (15) calendar days following written notice, as provided above, a "breach" shall be deemed to have occurred. In the event of a breach, the injured party shall be entitled to seek any appropriate remedy or damages by initiating legal proceedings.

#### **Section 46. CUMULATIVE REMEDIES**

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default of any other default by the other party.

#### **Section 47. VENUE**

All proceedings involving disputes over the terms, provisions, covenants or conditions contained in this Agreement and all proceedings involving any enforcement action related to this Agreement shall be initiated and conducted in the applicable court or forum in Riverside County, California.

#### **Section 48. ATTORNEY'S FEES**

In the event any action, suite or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, the prevailing party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, from the losing party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

**Section 49.**

**EFFECTIVENESS OF AGREEMENT**

This Agreement shall not be binding upon the City, until signed by the authorized representative(s) of Service Provider, approved by the City Council of the City of Cathedral City, approved as to form by the City Attorney for the City of Cathedral City and executed by the City Manager of the City of Cathedral City.

**Section 50.**

**REPRESENTATIONS OF PARTIES AND PERSONS  
EXECUTING AGREEMENT**

(a) Each of the parties to this Agreement hereby represents that all necessary and appropriate actions of their governing bodies have been taken to make this Agreement a binding obligation of each of the parties hereto.

(b) The persons executing this Agreement warrant that they are duly authorized to execute this Agreement on behalf of and bind the parties each purports to represent.

**IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates written below.**

**City of Cathedral City:**

**Cathedral City Chamber of Commerce:**

By: \_\_\_\_\_  
Donald E. Bradley, City Manager

By: \_\_\_\_\_  
Patti K. Drusky

By:  \_\_\_\_\_  
Dudley Haines, Risk Manager

By: \_\_\_\_\_  
Phillip Flickinger, Chairman

**ATTEST:**

By: \_\_\_\_\_  
Donna M. Velotta, City Clerk

By: \_\_\_\_\_  
Kristal Granados, Treasurer

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Steven B. Quintanilla, City Attorney

# Exhibit “A”

## Scope of Services



68-845 Perez Rd., Suite 6 Cathedral City, CA 92234  
(760) 328-1213 Fax (760) 321-0659  
[www.cathedralcitycc.com](http://www.cathedralcitycc.com) [info@cathedralcitycc.com](mailto:info@cathedralcitycc.com)

**To:** Paul W. Shillcock  
Economic Development Guy, City of Cathedral City

**From:** Patti K. Drusky  
President/CEO, Cathedral City Chamber of Commerce

**Subject:** Cathedral City Chamber of Commerce Economic Development  
Partnership Program 2001-2002

**Date:** September 24, 2001

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It is the desire of the Cathedral City Chamber of Commerce to continue the Economic Development Partnership with the City of Cathedral City in the 2001-2002 fiscal year. The Chamber's work in the area of economic development continues to grow and positively impact the business community. The excellent working relationship between the City and the Chamber assures this partnership agreement success and growth.

Attached is a description of the scope of services the Chamber will be providing to the City and the business community in the upcoming year. We are asking that the City in return, support the Chamber of Commerce with a payment of \$30,000.00 for these services to be provided in the 2001-2002 fiscal year.

If you have any questions or suggestions, please do not hesitate to contact me. The Cathedral City Chamber of Commerce looks forward to a productive and rewarding year working in unison with the Cathedral City staff and City Council.



**CATHEDRAL CITY CHAMBER OF COMMERCE**  
**Business Resource Program**  
**Fiscal Year 2001-2002**

The basic goals for the Business Resource Center (BRC) focus on the education, retention, and strengthening of existing Cathedral City businesses, as well as, attracting new business to the community. This program will continue to be comprised of a wide range of services, including the following:

- **Business Kits:** The Chamber distributes “Business Start-Up Kits” developed by the California Chamber of Commerce. Used with other programs, this is a valuable tool in stimulating business development. City residents and those with a valid Cathedral City business license will receive program assistance at no cost. Those who do not bring their business to Cathedral City will pay full retail cost for this assistance. The Chamber will continue to offer support and services to new businesses locating within the City.
- **Legislative Action:** The Chamber will monitor regional, state and federal legislation that could impact the business community, as well as, actively participate in the legislative process. The Chamber will coordinate its activities with elected and appointed City officials in order to provide an increased effectiveness in the legislative arena. The Chamber will also host the Annual State of the City Luncheon, providing an inviting venue for the City to inform the public of the growth, accomplishments and direction of the City.
- **Student/Business Partnership Project:** To assure a better-qualified local workforce pool, the Chamber has partnered with Cathedral City High School to present this program. Combining classroom education with job shadowing experience, this course offers high school seniors and local business owners the opportunity to work and train together. This course, which is a credit class offered at Cathedral City High School, will provide students with opportunities to develop employment skills and knowledge about occupations through job-shadowing with local businesses and organizations. The student will focus on career awareness, employability, management, and leadership skills as applied to particular occupations. By participating in the job-shadowing component of this program, a business owner or manager has the opportunity to train, experience, and evaluate a prospective employee with no financial risk. Also, the job-shadowing employer is assisting in developing a qualified workforce group that will benefit their business as well as other local employers.
- **“California Friendly”:** Most business owners know that customer satisfaction is extremely important, so why is giving good service consistently one of the greatest challenges for small and medium business? Employers often do not have the time or resources to offer their employees comprehensive customer service training. That is why the Chamber of Commerce has taken the leading role in developing this customer service program. Entitled “California Friendly”, it is an ongoing, comprehensive community-based program designed to upgrade the standards of service and hospitality provided to local, national and foreign tourists. In this fun and fast-paced four-hour workshop, participants learn active listening, problem solving, how to deal with difficult customers and special skills for servicing foreign

guests. Workshop participants also learn about the attractions of their community and region, details that will help visitors to experience the most during their stay. The key objectives of the “California Friendly” program are professionalism and pride.

- Reference Bank: Miscellaneous materials and a variety of demographic information specific to Cathedral City which supports the business expansion/attraction effort, will continue to be distributed at no cost.
- Business Retention Program: In conjunction with the City of Cathedral City, the Chamber’s Business Retention Program will continue. The programs goals will remain the same:
  1. To retain and/or relocate businesses to Cathedral City.
  2. To establish direct lines of communication with businesses in the City.
  3. To identify hardship situations and develop action plans.
  4. To promote a positive community image that enhances all efforts.
- Business Outreach Program: The Chamber has been involved in business outreach to assist existing businesses and attract new business ventures. The Chamber will continue these projects:
  1. Business Expo and Economic Development Summit – The Summit portion of this event emphasizes the economic change and positive business climate in the Coachella Valley. The Expo follows the Summit and provides the business community a showcase to highlight their activities.
  2. Perez Road Design Center – To create a more financially healthy climate for businesses and residents involves creating a new identity for Perez Road, a shopping Mecca called the Perez Road Design Center. Currently Perez Road businesses are a veritable smorgasbord guaranteed to meet most design needs. By adding ornate arches on either side, at Cathedral Canyon and Date Palm Drive, comfortable benches, pedestrian friendly walkways, and bright lampposts, Perez Road will become an enjoyable retail experience for the local residents and shopping visitors. The Chamber will be meeting with the Perez Road merchants to discuss how this vision can become a reality and enhance both the business community and the City as a whole.
  3. Business Directory – The Chamber regularly publishes a directory and business guide. The guide carries an overview of Cathedral City, as well as, economic development data with a directory of the businesses and services available in the community. This directory and guide is distributed throughout the community and available at the visitor centers in the area.
  4. City Map – Planned for production in the 2001-2002 fiscal year, this updated map will reflect the new street names, as well as, provide information concerning the neighborhoods in Cathedral City.
  5. Web Page – The purpose of the web site is to provide information to individuals and businesses considering Cathedral City as a business location, serve as a directory for existing businesses, and provide a source of general information regarding the City and the Chamber. The Chamber’s web site will be linked to the City’s web site.

# Exhibit “B”

## Performance Schedule

**CATHEDRAL CITY CHAMBER OF COMMERCE**  
**Business Resource Program – Performance Schedule**  
**Fiscal Year 2001-2002**

- **Business Start-Up Kits:** These kits are available at the Chamber office and can be picked-up Monday through Friday, 9:00 a.m. to 4:00 p.m.
- **Legislative Action:** The Cathedral City Chamber of Commerce Legislative Affairs committee meets the first Wednesday of every month. The City Manager is a regular participant of that committee, however the committee meetings are open to the public.
- **Student/Business Partnership Project:** This class is being offered at Cathedral City High School in the 2001-2002 school year.
- **“California Friendly”:** This customer service class will be offered monthly beginning September 2001.
- **Reference Bank:** The Chamber office houses a large variety of information brochures, coupons, and documents. Information is available to pick-up during the Chamber’s regular business hours.
- **Business Retention Program:** The Economic Development Committee of the Chamber is prepared to address any business considering relocation or experiencing difficulties as they become aware of the need.
- **Business Outreach Program:** 1. Business Expo and Economic Summit is scheduled to be held May 2002. 2. Perez Road Design Center: Planning and development meetings will begin in September 2001 and will be held monthly. 3. Business Directory: A new directory will begin production upon completion of the Cathedral City map. 4. Map: Production of a Cathedral City map will begin upon contract adoption. 5. Web Page: [www.cathedralcitycc.com](http://www.cathedralcitycc.com) is up and operating. Updates and additions will occur monthly.

<b>ACORD™ CERTIFICATE OF LIABILITY INSURANCE</b>		DATE (MM/DD/YY) 12/18/00
<b>PRODUCER</b> HRH INSURANCE SERVICES OF SOUTHERN CALIFORNIA 77-564 COUNTRY CLUB DR SUITE #401 PALM DESERT, CA 92211 (877) 411-0770  <b>SV230</b> 700	<b>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.</b>	
<b>INSURED</b> CATHEDRAL CITY CHAMBER  68-845 PEREZ RD NO. # 6  CATHEDRAL CITY, CA 92234	<b>INSURERS AFFORDING COVERAGE</b> INSURER A: <b>The Travelers Indemnity Company of Illinois</b> INSURER B: <b>N/A</b> INSURER C: <b>N/A</b> INSURER D: <b>N/A</b> INSURER E: <b>N/A</b>	

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
<b>A</b>	GENERAL LIABILITY	660-459P1275-00	12/29/2000	12/29/2001	EACH OCCURRENCE	\$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire)	\$ 100,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 5,000
					PERSONAL & ADV INJURY	\$ 1,000,000
					GENERAL AGGREGATE	\$ 2,000,000
					PRODUCTS-COMP/OP AGG	\$ 2,000,000
GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-ECT <input type="checkbox"/> LOC						
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	\$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
	<input type="checkbox"/> HIRED AUTOS					
	<input type="checkbox"/> NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC	\$
					AUTO ONLY AGG	\$
	EXCESS LIABILITY				EACH OCCURRENCE	\$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$
	<input type="checkbox"/> DEDUCTIBLE					\$
	<input type="checkbox"/> RETENTION \$					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STAT'L "O"Y LIMITS	\$
					EL EACH ACCIDENT	\$
					EL DISEASE - EA EMPLOYEE	\$
					EL DISEASE - POLICY LIMIT	\$
	OTHER					
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS CLUB						

<b>CERTIFICATE HOLDER</b>  CITY OF CATHEDRAL CITY 68-700 AVENIDA LALO GUERRERO CATHEDRAL CITY, CA 92234	<b>ADDITIONAL INSURED: INSURER LETTER:</b>  <b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE:
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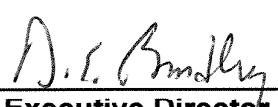

## CATHEDRAL CITY REDEVELOPMENT AGENCY AGENDA REPORT

**SUBJECT:** Approval of the First Amended Memorandum of Understanding (MOU) with LINC Housing and approval of a loan, in an amount not to exceed \$300,000, to LINC Housing Corporation for predevelopment design services.

**Department:** Redevelopment  
**Contact Person:** Susan Moeller

**Meeting Date:** September 26, 2001  
**Deadline for Action:** The previous  
MOU expired April 26, 2001

**APPROVED:**

 _____ Department	 _____ Executive Director	 _____ Finance
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### **RECOMMENDATION:**

1. That the Redevelopment Agency Board authorize a 211 day extension of the Memorandum of Understanding with LINC Housing Corporation for the development of Desert Cloisters, a mixed-income housing project to be located on West Buddy Rogers Drive between Date Palm Drive and Van Fleet Avenue, to May 31, 2002.
2. That the Redevelopment Agency Board approve a loan to LINC, in an amount not to exceed \$300,000.00 for predevelopment design services.

### **BACKGROUND:**

At the March 10, 1999, Redevelopment Agency Board Meeting, the Board approved a 180 day Memorandum of Understanding (MOU) with LINC Housing Corporation (LINC). Since then, the MOU has been extended four times with the most recent extension expiring on April 26, 2001.

Since the Board last extended the MOU in January 2001, LINC has completed a new project pro-forma, including updated cost estimates based upon Agency-directed project reconfigurations. A second market study was completed to confirm the current market for the product types contemplated for this project. The project reflected in the pro-forma covers phase one of the project and consists of 182 rental units, including 16 live/work units, approximately 16,500 square feet of commercial retail and restaurant space; a 4,800 square foot community space and 1,000 square feet for the S.C.R.A.P. Gallery. The project would require an Agency investment of \$10.7 million, of which \$1 million has already been used to acquire the Cathedral City Elementary School site.

Attachment A shows the boundaries of this first phase. The Agency's investment would be structured as a loan to be repaid over a 55 year period.

## **ANALYSIS:**

### **First Amended MOU Approval**

Since February 2001 LINC has made adjustments to their project based upon City-directed changes including retaining most of the park, adjusting project boundaries to the south, and a change in unit count. The numbers have been analyzed and all internal issues for recommending approval of a DDA for the project have been resolved. However, the anticipated cumulative effects on circulation of current and proposed projects in the downtown area have grown to where the City has determined that a new traffic study should be conducted. That study is now under way and will be used in the analysis of an Environmental Impact Report (EIR) being prepared for the City's General Plan update. Since this project will need to rely upon the General Plan EIR for clearance before entering into a DDA, consideration of the DDA needs to be postponed until the EIR can be certified. Certification is expected in March of 2002.

### **Loan for Predevelopment Design Services**

LINC is prepared to enter into a DDA, with the design and acquisition process to begin immediately upon approval. This would result in construction beginning by the end of October 2002. Due to the schedule associated with obtaining a bond allocation for the project, postponement to spring 2002 for beginning project design results in a delay of construction until the end of 2003.

Since the Agency is not prepared to enter into a DDA due to the environmental review process, and in order to keep the project moving forward with a possibility of construction commencement in 2002, the Agency has the ability to loan predevelopment design funds to LINC. Loan of funds at this time will allow completion of the design development phase in time for the (anticipated) mid-April submission date of the California Debt Limit Allocation Committee (CDLAC) for allocation of bonding ability. With CDLAC approval anticipated, LINC could begin construction by the end of October 2002.

The amount of the predevelopment loan, \$300,000.00, will be sufficient to finalize design development drawings (Attachment D). Immediately upon approval of a DDA, construction drawings can be commenced and the loan can be repaid from the Agency assistance to the project.

The proposed structure of the loan agreement is such that if LINC continues with the project, the loan will become part of the anticipated \$10.7 million Agency assistance to the project. If LINC is unable to continue with the project, the Agency will own the design development documents and be able to solicit a developer to complete the project through a request for proposals process.

#### **ALTERNATIVES:**

1. Take no action. This alternative is not recommended, as the project would provide required replacement housing for residences already removed from the City's housing stock. The project would also provide a unique opportunity to create enhanced mixed-income housing opportunities in the Downtown Core.
2. Extend the MOU but do not approve the predevelopment loan. This is not recommended as the construction of the project will then be delayed for an additional year.

#### **FISCAL IMPACT:**

Approval of the First Amended MOU will create no fiscal impact to the Agency other than staff time to finalize documents. Funds for the predevelopment loan are available in the Agency Housing Fund.

ATTACHMENTS: Attachment A – Phase 1 Project Boundaries Map  
Attachment B - First Amended Memorandum of Understanding  
Attachment C - Predevelopment Loan Agreement  
Attachment D – Predevelopment Fees Analysis



ATTACHMENT A  
PHASE I PROJECT BOUNDARIES MAP

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## SMART & FINAL

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**ATTACHMENT B**  
**FIRST AMENDED MEMORANDUM OF UNDERSTANDING**

## FIRST AMENDED MEMORANDUM OF UNDERSTANDING

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### LINC HOUSING CORPORATION

THIS FIRST AMENDED MEMORANDUM OF UNDERSTANDING ("Agreement") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2001, by and between THE REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY, a public body, corporate and politic (the "Agency"), and LINC HOUSING CORPORATION, a California non-profit public benefit corporation (the "Developer"), on the terms and conditions set forth below.

### RECITALS

A. WHEREAS, the Agency has established a redevelopment plan which includes the downtown area of the City of Cathedral City (the "City"), which is known as Project Area Number 1; and

B. WHEREAS, the Agency has the goal of fostering and developing housing in the downtown area of the City (the "Downtown") in order to create a mixed use environment; and

C. WHEREAS, the Developer is engaged in the business of developing housing and desires to consider the development of a mixed income housing project, with possible related retail and/or arts uses, in the Downtown (the "Project"), which would complement the projects in the Downtown which the Agency has already undertaken or is contemplating; and

D. WHEREAS, the Project proposed by the Developer would create a unique living environment utilizing artistic and architectural embellishment; and

E. WHEREAS, the Agency and the Developer previously entered into that certain Memorandum of Understanding, dated as of March 11, 1999 (the "MOU"), which lapsed on September 11, 1999; and

F. WHEREAS, during the period since the lapse of the MOU the parties have continued to explore the feasibility of the Project, and to seek necessary financing, and at this time jointly concur that there is reason to continue their efforts in

this regard; and

G. WHEREAS, the parties deem it advisable and beneficial to enter into this Agreement to renew and extend the MOU on the terms set forth hereinafter, for the purpose of allowing the parties to continue to mutually explore the feasibility of the Project.

NOW, THEREFORE, the parties agree as follows:

#### TERMS AND CONDITIONS

##### Section 1. Negotiations.

The Agency and the Developer hereby agree to negotiate diligently and in good faith during the Term (as defined below) in order to determine the feasibility of the Project, and, if the Project is initially determined to be feasible, to enter into a Disposition and Development Agreement ("DDA") concerning the development of the Project in the area of the Downtown as shown on the map attached hereto as Exhibit "A" (the "Property"), which exhibit is incorporated herein by this reference, subject to the approval of the Board of the Agency (the "Board") and to the rules, regulations and laws governing the activities of the Agency. The Agency agrees to negotiate exclusively with the Developer, and not with any other person or entity, with regard to the Property during the Term. The exclusivity granted by the Agency in this Agreement is as to the Property, and the Agency reserves the right to engage in discussions or negotiations, or to finalize agreements, with other parties for projects, including mixed income housing, on other sites.

##### Section 2. Term of Agreement.

a. The term of this Agreement (the "Term") shall commence on the date set forth in the initial paragraph of this Agreement, and end at 5:00 p.m. on May 31, 2002. The parties agree that if at the end of the Term they have prepared a DDA in final form, but the DDA has not been considered by the Board, the Term will be automatically extended for the time necessary to permit the Board to consider and act upon the DDA. In such event, an action by the Board approving or disapproving the DDA will terminate this Agreement.

b. At the end of the Term, if the parties have not agreed upon the terms of a DDA to be submitted to the Board for approval, this Agreement will terminate, unless the Term is extended by mutual written agreement of the parties hereto. Such an agreement to extend will require the approval of the Board.

### Section 3. Components of Negotiations.

The parties agree that the negotiations shall be conducted in accordance with the following concepts and components:

a. The Project shall be a mixed income, mixed-use project, located in the Downtown along Buddy Rogers Drive, between Monty Hall Drive and Date Palm Drive.

b. The parties will review the land required for the Project and determine the means of acquiring said land. Nothing in this Agreement may be considered the agreement of the Agency to acquire, whether by purchase or otherwise, any land which the Developer may deem necessary for the Project.

c. The Developer shall investigate the feasibility of the Project, considering cost, financing and housing demand, and shall provide information satisfactory to the Agency that the Project is feasible. As a condition precedent to the DDA, the Agency will be undertaking a market study, and the Developer may be required to contribute to the cost thereof.

d. The Developer must identify anticipated sources of financing for the Project, and shall prepare a pro forma budget for the Project. The Agency agrees that it will work cooperatively with the Developer to identify Agency sources of funds for land assembly costs.

e. The parties shall attempt to establish an agreed upon description of the scope of the Project, identifying the various elements of housing, retail and related uses and the location on the Property thereof, with the goal of creating a Scope of Development which sets forth such elements. In furtherance of this goal, during the Term the Developer will prepare basic site and concept plans and schematics.

f. The parties shall consider the timing of the

various phases or elements of the Project, with the goal of establishing a Schedule of Performance for the implementation thereof.

g. The development of the Project would potentially eliminate a local park. The parties agree to discuss the replacement thereof. It is understood that a replacement park site and a source of funding for the acquisition of the site and construction of the park facilities will be a condition to finalization of a DDA.

h. It is contemplated that the Project will affect or interface with the existing fire station in the Downtown, and the parties shall address the effect of the Project on that fire station, including possible rehabilitation thereof.

#### Section 4. Reserved.

#### Section 5. Developer's Disclosure Obligations.

a. The Developer shall make a full disclosure to the Agency of all principals, officers, stockholders, partners, joint venturers, employees, associates and affiliates of the Developer who are participants or principals, or who have any economic interest, in this Agreement, the proposed DDA, the Project or the Property, or who have any ownership, beneficial or other interest of any kind in any other property or project in the City.

b. The Developer shall provide the Agency with pertinent information regarding any contemplated sources of funds for the development of the Project, whether from commercial lenders, private parties or otherwise, and upon which the Developer will rely in planning, designing, developing or constructing the Project.

c. The Developer will disclose to the Agency any and all other information which would reasonably bear upon or affect the decisions of the Agency or the Board in negotiating or approving the DDA, including, without limitation, any financial information concerning the Developer which would materially affect the Developer's ability to perform its obligations under this Agreement or the proposed DDA.

#### Section 6. Mutual Cooperation.

The parties hereto agree that they will each cooperate with the other, and shall provide such information and documentation as is reasonably necessary to fulfill the intent of this Agreement, and shall make diligent response to inquiries and requests for information from the other party.

Section 7. Environmental Compliance.

The Project is or may be subject to the California Environmental Quality Act ("CEQA"), and nothing contained herein shall be deemed a determination by the Agency as to the impacts of the Project on the environment or a waiver of the Agency's rights and duties with respect to the review of such impacts. The Project must comply with the requirements of CEQA. The parties acknowledge that the DDA cannot be approved by the Board unless and until the requirements of CEQA are met.

Section 8. Effect of Agreement.

a. The parties acknowledge that nothing contained in this Agreement shall be deemed a covenant, promise or commitment by the Agency, the City or any other agency of the City, to enter into a DDA with the Developer on any particular terms or conditions, or to acquire property in furtherance of the Project. The Agency's execution of this Agreement is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by the Agency, the City or other City agencies to the legislative bodies thereof.

b. This Agreement is the complete and total understanding of the parties with regard to the subject matter hereof, and replaces the MOU which is no longer of any effect. Any changes, modifications or addendums to this Agreement must be in writing, signed by all parties and approved by the Board.

c. Nothing contained in this Agreement shall be construed to require, or have the effect of requiring, the Agency to take any action which is inconsistent with any applicable law, rule or regulation which governs the Agency's actions.

d. The parties acknowledge that the final form of any proposed DDA may have to contain matters not contemplated by this Agreement, and the provisions hereof are not intended to comprehensively identify all issues or matters which will be



included within the terms of such a DDA.

Section 9. Designation of Negotiators.

The Developer hereby designates Hunter Johnson as the individual authorized to negotiate with the Agency on its behalf. Agency designates Susan Moeller as the individual authorized to negotiate with the Developer on its behalf. The parties may, from time to time, change the individuals authorized to negotiate on their behalf by delivery of written notice to that effect to the other party.

Section 10. Notices.

Any notice, payment or instrument required or permitted by this Agreement, or desired to be given by any party hereto, to be given or delivered to any party or other person shall be deemed to have been received: (i) on the day of delivery if personally delivered; (ii) on the day following the date such notice is sent by recognized overnight delivery service; (iii) on the date sent if sent by electronic facsimile; or (iv) on the date two (2) days after deposit in the United States mail, certified or registered mail, with postage prepaid. Notices shall be addressed as follows:

Developer:

LINC Housing Corporation  
110 Pine Avenue, Suite 525  
Long Beach, CA 90802  
Attn: Hunter L. Johnson  
President/CEO

With a Copy To:

Karle, Mackie, Power & Ross  
100 "B" Street, Suite 400  
Santa Rosa, CA 95401  
Attn: Richard Power

Agency:

Cathedral City Redevelopment Agency  
68-700 Avenida Lalo Guerrero  
Cathedral City, California 92234  
Attn: Susan Moeller

With a copy to:

Green, de Bortnowsky & Quintanilla  
23801 Calabasas Road  
Suite 1015  
Calabasas, CA 91302  
Attn: Charles R. Green

Any party may change its address for delivery of notice by delivering written notice of such change to the other parties.

Section 11. Captions.

The captions to sections of this Agreement are for convenience only and are not part of this Agreement.

Section 12. Severability.

If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from this Agreement and the remaining parts shall remain in full force and effect as though such invalid or unenforceable provision had not been a part of this Agreement.

Section 13. No Third Party Beneficiaries.

The parties do not intend the benefits of this Agreement to inure to any third party, nor shall any of this Agreement be so construed.

Section 14. Discretionary Authority Reserved.

This Agreement shall not be interpreted to require the Agency, the City or any other agency of the City to exercise its discretion with respect to the Project in any predetermined manner, nor to require that the Agency or the City approve the Project, or any part thereof, or any related undertakings.

Section 15. No Joint Venture or Partnership.

Nothing contained in this Agreement shall create or be deemed to create any form of joint venture, partnership or any form of association of any kind or nature between the Agency (or the City) and the Developer.

Section 16. Hold Harmless and Indemnification.

Each of the parties shall indemnify, defend and hold harmless the other party, and its officers, employees, agents and consultants from and against any and all actions, suits, proceedings, claims, demands, losses, costs, expenses and judgments, including legal costs and attorneys fees arising therefrom, for any injury of any type claimed as a result of any negligent or intentional act or omission of such party arising from or related to this Agreement.

Section 17. Successors and Assigns.

This Agreement may not be assigned by the Developer to any other person or entity, but shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto.

Section 18. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

REDEVELOPMENT AGENCY OF THE CITY  
OF CATHEDRAL CITY

\_\_\_\_\_  
Donald E. Bradley  
Executive Director

Approved as to content:

\_\_\_\_\_  
Susan F. Moeller  
Redevelopment Director

Approved as to form:

\_\_\_\_\_  
Agency Counsel

LINC HOUSING CORPORATION

\_\_\_\_\_  
Hunter Johnson  
President and Chief Executive

Officer

CATH\0025-15\2.4  
10\2\01 815 crg

**ATTACHMENT C  
LOAN AGREEMENT**

## LOAN AGREEMENT

---

### LINC HOUSING CORPORATION

This Loan Agreement ("Agreement") is dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 2001, by and between THE REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY, a public body, corporate and politic (the "Agency"), and LINC HOUSING CORPORATION, a California non-profit public benefit corporation ("Borrower"), on the terms and conditions set forth below.

#### RECITALS

A. WHEREAS, the Agency has established a redevelopment plan which includes the downtown area of the City of Cathedral City (the "City"), which is known as Project Area Number 1; and

B. WHEREAS, the Agency has the goal of fostering and developing housing in the downtown area of the City (the "Downtown") in order to create a mixed use environment; and

C. WHEREAS, the Borrower is engaged in the business of developing housing and desires to consider the development of a mixed income housing project, with possible related retail and/or arts uses, in the Downtown (the "Project"), which would complement the projects in the Downtown which the Agency has already undertaken or is contemplating; and

D. WHEREAS, the Project proposed by the Borrower would create a unique living environment utilizing artistic and architectural embellishment; and

E. WHEREAS, the Agency and the Borrower have entered into that certain First Amended Memorandum of Understanding ("MOU") contemporaneously with this Agreement; and

F. WHEREAS, the MOU provides that the parties will explore the feasibility of the Project through the end of the term of the MOU on May 31, 2002, with the goal of entering into a Disposition and Development Agreement ("DDA") on or before that date; and

G. WHEREAS, the Borrower finds it necessary to incur substantial costs between the date of this Agreement and May 31, 2002, in order to prepare the plans and studies necessary to finalize the DDA and construct the Project and for other necessary and related expenses, and lacks the necessary resources to completely fund such costs without assistance; and

H. WHEREAS, the Agency desires to provide a loan to the Borrower, and the Borrower desires to obtain a loan from the Agency, of funds to assist the Borrower during the period of the MOU such the Project can be in a position to be completed in a timely fashion and thus address the housing needs of the City's residents.

NOW, THEREFORE, the parties agree as follows:

#### TERMS AND CONDITIONS

##### Section 1. Loan From the Agency to the Borrower.

The Agency hereby extends to the Borrower a loan of up to Three Hundred Thousand Dollars (\$300,000.00) ("Loan") on the following conditions:

a. Uses of Loan Proceeds -- The proceeds of the Loan shall only be used for the purposes set forth in Attachment A hereto, all of which shall be exclusively in furtherance of the Project. The Borrower shall not use any portion of the Loan on any other project, for overhead or for general administrative purposes. An approved use set forth in Attachment A shall be referred to herein as an "Approved Use."

b. Disbursement of Loan Proceeds -- Disbursement of the Loan proceeds shall be made when the Borrower provides the Agency with (i) an invoice from a third party consultant or provider of service ("Payee"), (ii) evidence of receipt of the work or service, which is an Approved Use, and (iii) a request to make payment directly to the Payee.

c. Termination of Disbursements -- In the event that (i) the Borrower is in default of this Agreement and/or the MOU, or (ii) the Agency reasonably concludes that the Borrower is not using the proceeds of the Loan as agreed, the Agency may cease making disbursements of the Loan proceeds

altogether.

Section 2. Repayment Terms. The Borrower agrees to repay the Loan as follows:

a. The Loan shall be due and payable on May 31, 2002 (the "Due Date") and shall bear no interest. If the parties enter into a DDA prior to the Due Date, the DDA shall address the agreed method of repayment of the Loan. If the Loan is not repaid on or before the Due Date, and a DDA is not entered into by that time, the provisions regarding the Agency's remedies set forth in Section 5 below will apply.

b. It is contemplated that the Borrower will obtain funds from \_\_\_\_\_ by the Due Date (the "Financing"), to fund the major part of the cost of construction and development of the Project. The parties agree that the Loan will be repaid from the proceeds of the first disbursement of the Financing or at the first time thereafter permitted by the terms of the Financing. If the Financing does not occur prior to the Due Date, the provisions of Section 5 below will apply.

Section 3. Assignment of Plans, Reports and Studies.

In order to provide security for the Loan, and as a condition to the disbursement of any Loan proceeds, the parties hereto agree that the Borrower will execute that certain Assignment of Plans, Reports and Studies of even date herewith (the "Assignment").

Section 4. Events of Default.

The following shall, at the sole option of the Agency, constitute a default of this Agreement by the Borrower (an "Event of Default"):

a. A use of any Loan proceeds for a purpose other than as permitted by this Agreement;

b. A failure to actively and diligently pursue the successful funding of the Financing;

c. An abandonment of the Project, which may be evidenced by an express declaration of abandonment by the Borrower, or by any facts and/or circumstances upon which the



Agency could reasonably conclude that the Borrower did not intend to diligently pursue the completion of the Project, even if such conclusion is erroneous;

d. Any breach of any other written agreement or contract between the Agency and the Borrower, including, without limitation, the MOU or a DDA; and/or

e. A failure to observe and comply with any other requirement of this Agreement.

f. None of the foregoing shall constitute an Event of Default until the Agency has provided the Borrower with thirty (30) days written notice of the breach, and said notice period has elapsed without a cure of the breach by the Borrower.

#### Section 5. Remedies on Default.

If an Event of Default shall occur, the Agency shall have the remedies set forth below. Such remedies are not exclusive. The Agency may exercise any or all of the remedies in such order as it may determine. A failure to exercise a remedy if there is an Event of Default shall not constitute a waiver of that Event of Default or a waiver of the Agency's right to exercise such remedy in the case of other Events of Default. The remedies available to the Agency are, without limitation:

a. If the entire proceeds of the Loan have not yet been advanced, the Agency may terminate the advance of any further proceeds.

b. The Agency may, at its sole option, exercise its rights under the Assignment, in which case, providing that the Borrower has promptly delivered to the Agency all of the materials which are the subject of the Assignment, the Borrower shall be excused from further obligation for repayment of the Loan. If the Borrower does not promptly deliver all of such materials to the Agency, and otherwise take such action as is reasonably necessary to cause third parties in possession of such materials to deliver them to the Agency, then the Borrower shall be obligated to repay the Loan from its own assets. After the exercise by the Agency of its rights under the Assignment, the Borrower shall have no further right to use for any purpose the materials assigned to the Agency in the Assignment.

c. The Agency may, at its sole option, accelerate the obligations of Borrower hereunder, such that the Agency's remedies may be exercised immediately upon an Event of Default.

d. The Agency may bring suit or take such other action as it deems reasonable to enforce its rights against the Borrower.

e. The Agency, at its sole option, may terminate the Borrower's rights under the MOU, the DDA or any other written agreement between the parties hereto which relates in any way to the Project and/or the Property. The parties hereby agree that, at the Agency's sole option, a default of any such agreement shall constitute a default of this Agreement and/or any other of said agreements and vice versa, even if any such agreement does not specifically so provide.

f. The Agency shall have such other rights and remedies as are available in law or equity.

g. In the event of any suit, arbitration or mediation concerning this Agreement, the prevailing party shall be entitled to collect its costs of suit and its reasonable attorneys' fees.

h. Notwithstanding any other provision of this Agreement to the contrary, the Borrower shall be obligated to repay to the Agency any portion of the Loan proceeds which is used for any purpose which is not an Approved Use.

#### Section 6. General Provisions.

The following provisions apply to the agreement of the parties set forth in this Agreement:

a. The Project is or may be subject to the California Environmental Quality Act ("CEQA"), and nothing contained herein shall be deemed a determination by the Agency as to the impacts of the Project on the environment or a waiver of the Agency's rights and duties with respect to the review of such impacts. The Project must comply with the requirements of CEQA.

b. The parties acknowledge that nothing contained in this Agreement shall be deemed a covenant, promise or commitment by the Agency, the City or any other agency of the

City, to enter into a DDA with the Developer on any particular terms or conditions, or to acquire property in furtherance of the Project.

c. Any changes, modifications or addenda to this Agreement must be in writing, signed by all parties and approved by the Board of the Agency.

d. Nothing contained in this Agreement shall be construed to require, or have the effect of requiring, the Agency to take any action which is inconsistent with any applicable law, rule or regulation which governs the Agency's actions.

e. Any notice, payment or instrument required or permitted by this Agreement, or desired to be given by any party hereto, to be given or delivered to any party or other person shall be deemed to have been received: (i) on the day of delivery if personally delivered; (ii) on the day following the date such notice is sent by recognized overnight delivery service; (iii) on the date sent if sent by electronic facsimile; or (iv) on the date two (2) days after deposit in the United States mail, certified or registered mail, with postage prepaid. Notices shall be addressed as follows:

Developer: LINC Housing Corporation  
110 Pine Avenue, Suite 525  
Long Beach, CA 90802  
Attn: Hunter L. Johnson  
President/CEO

With a Copy To: Karle, Mackie, Power & Ross  
100 "B" Street, Suite 400  
Santa Rosa, CA 95401  
Attn: Richard Power

Agency: Cathedral City Redevelopment Agency  
68-700 Avenida Lalo Guerrero  
Cathedral City, California 92234  
Attn: Susan Moeller

With a copy to:       Green, de Bortnowsky & Quintanilla  
                          23801 Calabasas Road  
                          Suite 1015  
                          Calabasas, CA 91302  
                          Attn: Charles R. Green

Any party may change its address for delivery of notice by delivering written notice of such change to the other parties.

f.           The captions to sections of this Agreement are for convenience only and are not part of this Agreement.

g.           If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from this Agreement and the remaining parts shall remain in full force and effect as though such invalid or unenforceable provision had not been a part of this Agreement.

h.           The parties do not intend the benefits of this Agreement to inure to any third party, nor shall any of this Agreement be so construed.

i.           This Agreement shall not be interpreted to require the Agency, the City or any other agency of the City to exercise its discretion with respect to the Project in any predetermined manner, nor to require that the Agency or the City approve the Project, or any part thereof, or any related undertakings.

j.           Nothing contained in this Agreement shall create or be deemed to create any form of joint venture, partnership or any form of association of any kind or nature between the Agency (or the City) and the Developer.

k.           Each of the parties shall indemnify, defend and hold harmless the other party, and its officers, employees, agents and consultants from and against any and all actions, suits, proceedings, claims, demands, losses, costs, expenses and judgments, including legal costs and attorneys fees arising therefrom, for any injury of any type claimed as a result of any negligent or intentional act or omission of such party arising from or related to this Agreement.

l.           This Agreement may not be assigned by the Borrower

to any other person or entity, but shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto.

m. This Agreement may be executed in counterparts, each of which shall be deemed to be an original.

n. Any attachments or exhibits attached to this Agreement are incorporated herein by reference.

o. This Agreement may be amended only by a written instrument executed by the Agency and the Borrower.

[END OF THIS PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

REDEVELOPMENT AGENCY OF THE CITY  
OF CATHEDRAL CITY

\_\_\_\_\_  
Donald E. Bradley  
Executive Director

Approved as to content:

\_\_\_\_\_  
Susan F. Moeller  
Redevelopment Director

Approved as to form:

\_\_\_\_\_  
Agency Counsel

LINC HOUSING CORPORATION

\_\_\_\_\_  
Hunter Johnson  
President and Chief Executive

Officer

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**ATTACHMENT D**  
**PREDEVELOPMENT FEES ANALYSIS**



110 PINE AVENUE, SUITE 525  
LONG BEACH, CA 90802  
562.435.2124  
562.435.1054 FAX  
linc@linchousing.org EMAIL

Susan Moeller  
Redevelopment Director  
City of Cathedral City  
68770 Avenida Laro Guerrero  
Cathedral City, CA 92235

Dear Susan:

This letter serves as a follow up to our previous letters and conversations regarding pre-development assistance from the Agency. After detail discussion with Interactive Design we have determined that the architecture and design work to keep us on track and allow us to begin construction by the end of September 2002 can be accomplished for a not to exceed figure of \$300,000.

Thank you for your continued efforts to move Desert Cloisters ahead.

Sincerely,

A handwritten signature in black ink, appearing to be "H. Johnson", written over a horizontal line.

Hunter L. Johnson  
President



1 of 2

11

**CATHEDRAL CITY  
REDEVELOPMENT AGENCY  
AGENDA REPORT**

---

**SUBJECT: Replacement Housing Plan for BCN Conference Hotel Project.**

**DEPARTMENT: RDA/Housing**

**MEETING DATE: Oct. 10, 2001**

**CONTACT PERSON: Moeller / Bradshaw**

**Deadline for Action: NA**

**APPROVED:**

  
Department

  
Executive Director

  
Finance

---

**RECOMMENDATION:**

Adopt the resolution approving the Replacement Housing Plan as prepared by Pacific Relocation Consultants (PRC) for the BCN Conference Hotel project.

**BACKGROUND:**

Under California Redevelopment Law, the Redevelopment Agency must adopt a plan for the replacement of any housing units that are removed from the City's housing stock due to redevelopment activities (the Replacement Housing Plan). This plan must be adopted by the Agency at least 30 days prior to entering into any agreement that would require the elimination of housing units from the City's housing stock,

The Redevelopment Agency is currently studying the possibility of entering into an Disposition and Development Agreement (DDA) for the development of a 300 room hotel in the Downtown Precise Plan area. If such a development should proceed it will involve the elimination of housing units. In anticipation of such a possible development, the Agency has contracted with Pacific Relocation Consultants (PRC) to survey the area of the proposed development and to draft a Replacement Housing Plan which would apply to this proposed project.

PRC's survey indicates that there are 71 housing units which would need to be replaced if the BCN project is built. The 71 units contain 115 bedrooms. The Agency is allowed to replace either 71 housing units or 115 bedrooms.

**SYNOPSIS:**

The proposed Replacement Housing Plan indicates that the Agency will replace the removed housing units with an equal number or a smaller number of units that are affordable at the same income level as the removed units, so long as there is an equal number of affordable bedrooms replaced. This means that, for the purpose of this plan, the Agency may replace three studio apartments with one three-bedroom house or with a combination of apartments that have the same number of bedrooms.

The units will be replaced within developments or projects that are either currently under construction or that are expected to begin construction within the next 24 to 30 months. The cost of the replacement units is either already expended, budgeted or within the Agency's means and financial capabilities over the next 5 years.

**ANALYSIS:**

The Agency has been very successful in leveraging its affordable housing set-aside funds with federal or state funds for the development of affordable housing. The affordable housing projects that are currently under construction or planned within the next 4 years will provide approximately 1,000 bedrooms with restrictions as to the rents or affordability which meets the need that would be created by the BCN project.

The Replacement Housing Plan demonstrates that the Agency will be able to replace any housing units (or bedrooms) that are removed for the BCN Hotel project within the time-frame allowed by California Redevelopment Law. The draft Housing Replacement Plan has been available for review by the public since October 1, 2001.

**FISCAL IMPACT:**

There is no direct fiscal impact from this action. The Agency will expect to eventually invest around \$1,000 to \$5,000 per bedroom in order to have the replacement units constructed and designated as restricted affordable housing units. The Agency's potential investment in replacement housing units for the BCN project is expected to be between \$115,000 and \$500,000. This cost-ratio is a very efficient way for the Agency to meet its replacement housing requirement.

The Agency's Affordable Housing 20% Set Aside Fund currently generates approximately \$2,500,000 per year. The investment of Housing Set Aside funds to assist with the development of the replacement units either has been previously approved, or will be approved under separate agreements with the developers of the specific housing projects.

**ATTACHMENTS:**

**ATTACHMENT 1 :** Estimated Replacement need from 2000 Housing Strategy).

**ATTACHMENT 2 :** Draft Housing Replacement Plan for the BCN project:

**ATTACHMENT 3 :** Draft Resolution

## ATTACHMENT 1

Sept 10, 2001

**Estimated Replacement need 2000-2005**  
(excerpt from 2000 Housing Strategy),  
(developed October of 2000; updated April 2001)

### LEGAL OBLIGATIONS (for REDEVELOPMENT)

#### Replacement Housing:

##### Replacement of units/bedrooms removed:

Removed per Replacement Plan of 1995:	114 units	150 bedrooms
Removed 1996 through June 2000	<u>50 units</u>	<u>79 bedrooms</u>
	164 units	229 bedrooms

##### Replaced: (Very Low Income - VLI)

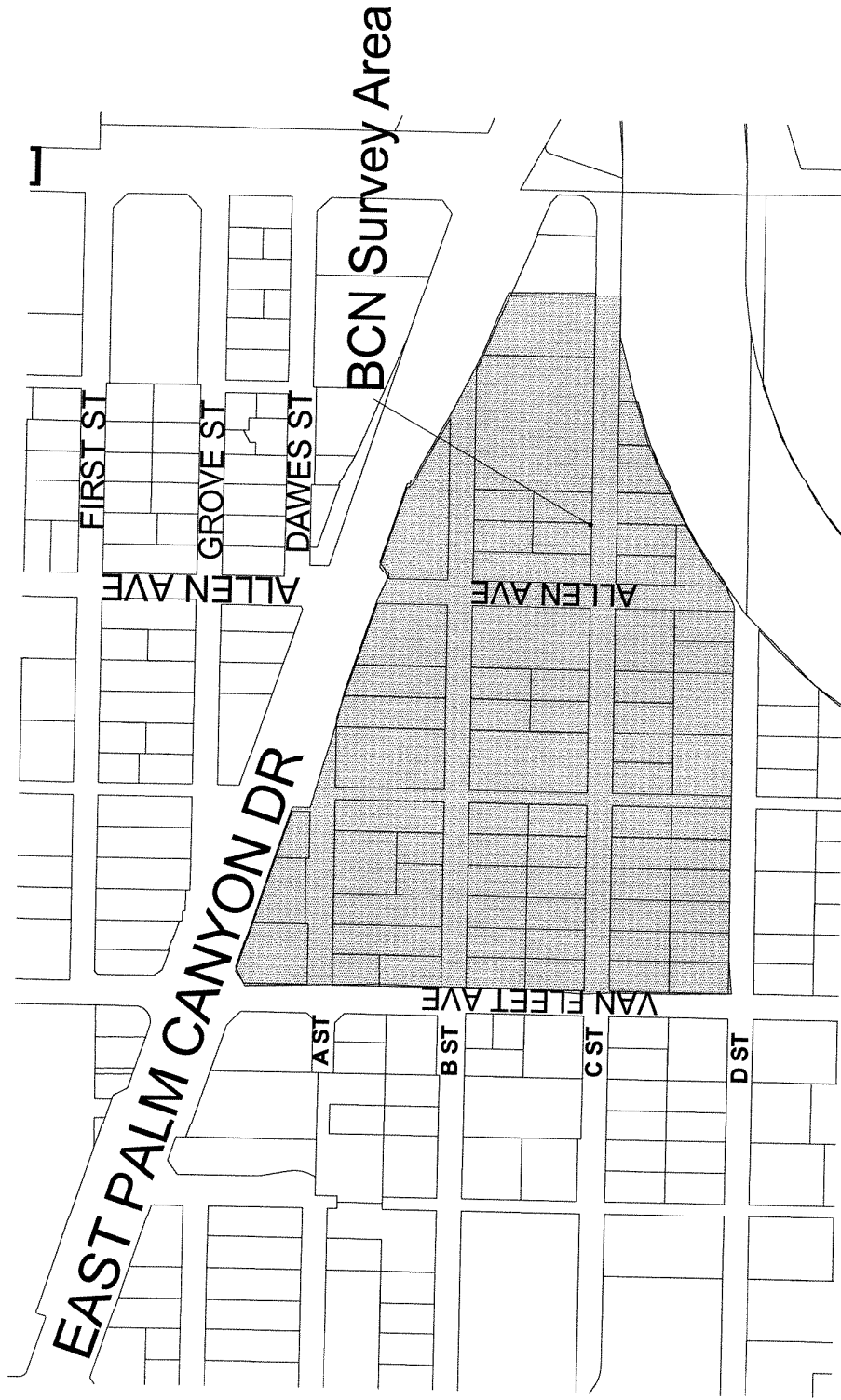
			Year:
Cathedral Palms (major rehabilitation)	40 units	80 bedrooms	1996
Casa San Miguel (new and rehabilitated)	38 units	40 bedrooms	1998
Habitat for Humanity (new)	3 units	12 bedrooms	98-99
Casa Victoria (new)	50 units	51 bedrooms	1999
CVHC group 4 (new)	<u>10 units</u>	<u>40 bedrooms</u>	2000
	141 units	223 bedrooms	

Replacement Shortfall ( July 1, 2000).....	6 bedrooms
expected demolitions 2000-2005.....	<u>120 bedrooms</u>
estimated total requirement (2000-2005).....***.	126 bedrooms (Very low income)

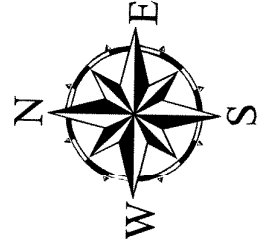
#### NOTE:

\*\*\* This estimated number is based on areas needed for LINC, Mercy Charities, Wallock and Arhours projects as planned plus some incidental demolition, but may not include any major new project (such as a lower cove area Resort Hotel) which might be proposed after December 1, 2000 if such projects require demolition of a significant number of added units.

Replacement of removed housing can be either by number of units, or by number of bedrooms at the same level of income and affordability.



Text Street Names  
 Parcels  
 BCN Survey Area



# **REPLACEMENT HOUSING PLAN**

## **BCN PROJECT**

**Prepared for:**

**THE REDEVELOPMENT AGENCY OF THE  
CITY OF CATHEDRAL CITY**

**By:**

**PACIFIC RELOCATION CONSULTANTS  
100 WEST BROADWAY AVENUE, SUITE 300  
LONG BEACH, CALIFORNIA 90802  
(800) 400-7356**

**OCTOBER, 2001**

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## INTRODUCTION

The Redevelopment Agency of the City of Cathedral City (the “Agency”) anticipates providing assistance to enable the development of a hotel project known as the BCN Project in the Downtown Precise Plan, Project Area #1. The property to be assembled includes a mix of improved and vacant parcels which currently accommodate 65 (sixty-five) residential households. The proposed Project contemplates the development of a 300-room conference center hotel that will include 24,000 square feet of meeting/conference space, a 10,000 square foot spa/recreation area, and parking that will exceed the normal requirement in order to allow for local functions in the conference area..

Pursuant to Section 33413.5 of the California Redevelopment Law, (Health & Safety Code §33413 et seq., [the “CRL”]), a Replacement Housing Plan is to be adopted at least 30 days prior to the execution of an agreement for the acquisition of real property or an agreement for the disposition and development of property which would lead to the destruction or removal of dwelling units from the low and moderate income housing market. The requirements of the proposed project are such that a plan is necessary.

This document (the “Plan”) addresses the five (5) required planning elements described in Section 33413.5: (1) the general location of housing to be rehabilitated, developed, or constructed pursuant to Section 33413 of the CRL, (2) the number of dwelling units housing persons and families of very-low, low or moderate income planned for construction or rehabilitation, (3) the time table for meeting the Plan’s relocation, rehabilitation and replacement housing objectives, (4) a description of the adequate means of financing such housing, and (5) a finding that the replacement housing does or will not require the approval of voters pursuant to Section XXXIV of the California Constitution, or that such approval has been obtained.

The Plan, additionally, includes a description of affected properties, the income levels of potential displacees and a tabulation of the aggregate replacement housing obligations created by the Project. This tabulation establishes a baseline for compliance with Sections 33413(a) and 33413(f) of the CRL, which require that low and moderate income housing units, eliminated as a consequence of redevelopment activity, be replaced within a four year period.

Replacement housing obligations, as explained in this Plan, are tied to formulae for matching lost units according to income category and total bedroom count on either a one-for-one or aggregate basis. Countable replacement housing units must be within the agency’s territorial jurisdiction, in standard condition, and designed to remain affordable to low and moderate income households for, at least, the remaining life of the land use controls in the host redevelopment project area which, in the case of this project, extend to the year 2027.

## PROJECT DESCRIPTION AND LOCATION

The proposed BCN Project (the Project) is located in Redevelopment Project Area #1, in the Downtown Precise Plan Area. The development will be constructed in an area bounded by East Palm Canyon Drive to the North; "D" Street to the South; Van Fleet to the West; and Cathedral Canyon Storm Channel to the East.

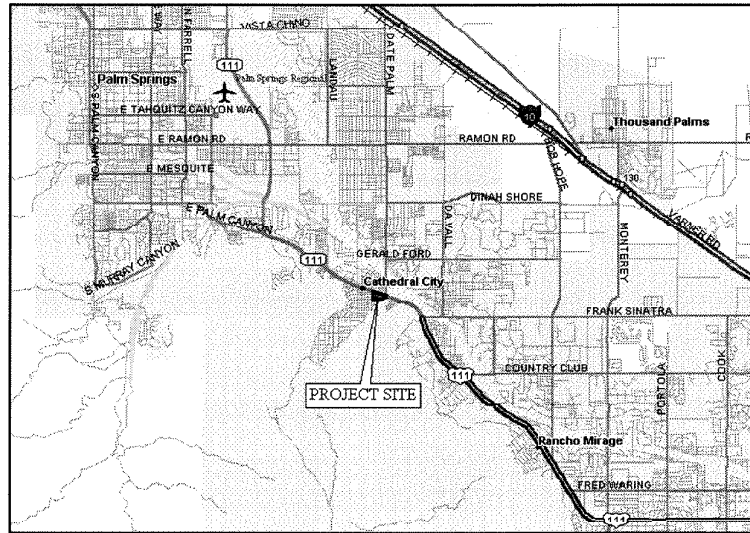


Figure 1: Regional Project Setting

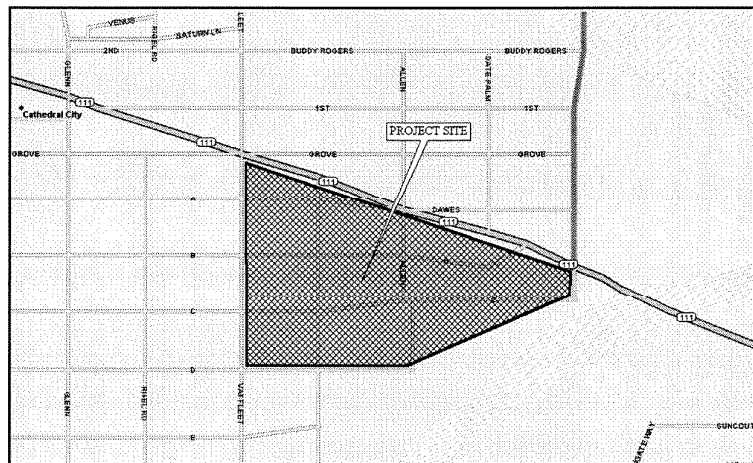


Figure 2: Project Site Location

## HUD ANNUAL INCOME TABLE

California Health and Safety Code Sections 50079.5 and 50105 provide that very-low, low and moderate income limits established by the U. S. Department of Housing and Urban Development ("HUD") are the state limits for those income categories. Sections 50079.5 and 50105 direct the Department of Housing and Community Development ("HCD") to publish the income limits. HUD released new income limits in March 2001. Accordingly, HCD has filed with the Office of Administrative Law, amendments to Section 6932 of Title 25 of the California Code of Regulations. The amendments contain the new HUD income limits prepared by HCD pursuant to Health and Safety Code Section 50093.

*The following figures, shown in **Table 1** are approved for use in the County of Riverside to define and determine housing eligibility by income level:*

<b>TABLE 1: HUD ANNUAL MEDIAN INCOME LIMITATIONS- RIVERSIDE COUNTY (2001)</b> <b>Area Median: \$49,900</b>				
<b>Family Size</b>	<b>Very Low Annual Income</b>	<b>Lower Annual Income</b>	<b>Median Annual Income</b>	<b>Moderate Annual Income</b>
<b>1 Person</b>	17,450	27,950	34,950	41,950
<b>2 Person</b>	19,950	31,950	39,900	47,900
<b>3 Person</b>	22,450	35,950	44,900	53,900
<b>4 Person</b>	24,950	39,900	49,900	59,900
<b>5 Person</b>	26,950	43,100	53,900	64,700
<b>6 Person</b>	28,950	46,300	57,900	69,500
<b>7 Person</b>	30,950	49,500	61,900	74,300
<b>8 Person</b>	32,950	52,700	65,850	79,050

## UNITS TO BE REPLACED

The determination of aggregate replacement housing needs related to any specific redevelopment project requires a dwelling-by-dwelling correlation of household income level with the bedroom count of occupied or habitable residences subject to removal. Income level is scaled in proportion to HUD median income standards adjusted for family size and regional location. The income standards for Riverside County were shown previously in Section II. "Very-low" income is considered to be fifty (50) percent or less of the median. "Low" income is considered to be between fifty-one (51) and eighty (80) percent of the median. "Moderate" income is considered to be between eighty-one (81) and one hundred twenty (120) percent of the median.

The replacement housing calculations in this plan are based upon income and bedroom count data obtained through door-to door surveys of sixty-five (65) tenants and homeowners who currently reside in the project footprint. In addition, the plan includes the bedroom counts of six (6) vacant but habitable units which are among those properties to be acquired for the project .

Including habitable non-occupied units, the project area includes, nineteen (19) single family residences and fifty-two (52) apartment or other multi-family units. The income levels of the sixty-five (65) occupant households are: thirty-nine (39) very-low, eighteen (18) low, five (5) moderate and three (3) above-moderate. Income levels for the six (6) habitable non-occupied units have been assigned as three (3) very-low and three (3) low.

The bedroom counts by income level inclusive of all units are: seventy (70) very-low, thirty-three (33) low, seven (7) moderate and five (5) above-moderate. The overall unit mix by bedroom size is: single- 3; 1 bedroom- 34; 2 bedroom- 25; 3 bedroom- 8; 4 bedroom- 1. **Table 2** illustrates the preceding data.

<b>TABLE 2: OCCUPIED &amp; HABITABLE UNITS BEDROOM COUNT BY INCOME LEVEL</b>				
<b>Household Size</b>	<b>Very-low Income</b>	<b>Low Income</b>	<b>Moderate</b>	<b>Above Moderate</b>
<b>Single*</b>	<b>0</b>	<b>2(2)</b>	<b>0</b>	<b>1(1)</b>
<b>One Bedroom</b>	<b>19(19)</b>	<b>11(11)</b>	<b>3(3)</b>	<b>1(1)</b>
<b>Two Bedroom</b>	<b>18(36)</b>	<b>5(10)</b>	<b>2(4)</b>	<b>0</b>
<b>Three Bedroom</b>	<b>5(15)</b>	<b>2(6)</b>	<b>0</b>	<b>1(3)</b>
<b>Four Bedroom</b>	<b>0</b>	<b>1(4)</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>42(70)</b>	<b>21(33)</b>	<b>5(7)</b>	<b>3(5)</b>

\*For replacement purposes, single or studio apartments count as one bedroom units.

## DEVELOPMENT AND LOCATION OF REPLACEMENT HOUSING

### REPLACEMENT HOUSING OPTIONS

Per redevelopment law, as referenced in the introduction of this Plan, the Agency may apply either of two counting methods to meet replacement housing obligations:

Option 1: The Agency may, by income category (very-low, low or moderate), replace seventy-five percent (75%) of affordable, eliminated dwelling units with an equal number of units that contain an equal number of bedrooms; the remaining twenty-five percent (25%) of units are then replaced at Agency discretion with dwelling units available in any of the three affordable income categories. The final result is an equal distribution of “new” units of similar bedroom size differentiated, marginally, by affordability level.

Option 2: The Agency may replace affordable dwelling units eliminated by the project with a fewer number of replacement dwelling units if the replacement units meet both of the following criteria: (1) the total number of bedrooms in the replacement dwelling units equals or exceeds the number of bedrooms in the destroyed or removed units, and (2) the replacement units are affordable in equal proportion to those units being eliminated by the project.

As the Agency undertakes the Project, it begins with a replacement housing shortfall of six (6) affordable bedrooms not including the effects of anticipated projects. With the development of this project and four (4) others as shown in Table 3, the Agency expects to be involved in the creation of nearly five hundred (500) affordable units comprising more than eleven hundred (1100) bedrooms, between now and the end of the year 2002.

In order to preserve as much flexibility as possible relative to its options for counting replacement units, the Agency will use Option 2 or the 100% replacement standard for this project. Based on this decision, the Agency is committing to credit sixty-eight (68) affordable bedrooms from among those anticipated to be developed, to satisfy the needs caused by this project. Of the one hundred ten (110) total affordable bedrooms to be eliminated, seventy (70) will be credited as very-low income, thirty-three (33) will be credited as low income, and seven (7) will be credited as moderate income.

<b>TABLE 3: AFFORDABLE HOUSING PROJECTS CURRENTLY PLANNED Units / (Bedroom Count)</b>						
Project	Unit Size # Bdrms	Income Levels			Total # Units/ (# Bdrms)	Expected Start Date
		Very Low	Low	Moderate		
Northwoods	1	1/(1)	1/(1)	-	2/(2)	Fall 2001
	2	5/(10)	30/(60)	-	35/(70)	
	3	3/(9)	6/(18)	-	9/(27)	
Victoria Woods	1	95/(95)	41/(41)	-	136/(136)	Winter 2002
	2	12/(24)	2/(4)	-	14/(28)	
Habitat for Humanity	4	3/(12)	-	-	3/(12)	Winter 2002
Coachella Valley Housing Coalition	4	5/(20)	5/(20)	-	10/(40)	Winter 2002
Mercy Housing	1	74/(74)	-	1/(1)	75/(75)	Winter 2002
Creskide	2	33/(66)	7/(14)	-	40/(80)	Spring 2002
	3	4/(12)	100/(300)	-	104/(312)	
	4	-	40/(160)	-	40/(160)	
Desert Cloisters (LINC)	1	7/(7)	14/(14)	20/(20)	41/(41)	Summer 2002
	2	7/(14)	26/(52)	46/(84)	79/(150)	
	3	2/(6)	2/(6)	-	4/(12)	
Totals by Income Category		251/(340)	274/(690)	67/(105)	592/(1145)	

## **TIMETABLE FOR REPLACEMENT HOUSING**

The seven (7) projects designed to have affordable housing components include Northwoods, Victoria Woods, Habitat for Humanity, Coachella Valley Housing Coalition, Mercy Charities, Creekside and Desert Cloisters. These projects are all scheduled to begin no later than the Spring of 2003 and, if they proceed as planned, will be completed well within the four year replacement schedule for this project which extends to mid-2006.

## **FINANCING OF REPLACEMENT HOUSING**

The Redevelopment Plan for Redevelopment Project Area #1 authorizes the Agency to finance its activities with assistance from a variety of local, State and Federal funding sources, including, but not limited to; HUD Community Development Block Grant (CDBG) funds; HOME grants; various mortgage subsidy or guarantee programs, including Section 202 and programs offered by the California Housing Financing Commission (CHFA); tax increment funds; and below market rate financing through the sale of tax exempt mortgage revenue bonds; redevelopment twenty percent set-aside funds; and developer funds.

## **NON-APPLICABILITY OF ARTICLE XXXIV OF THE CALIFORNIA CONSTITUTION**

It is hereby found and determined that the replacement housing to be developed and constructed under this replacement housing plan does not require approval of the voters of the City of Cathedral City pursuant to Article XXXIV of the California Constitution. Neither the ownership housing nor rental housing contemplated for replacement housing purposes constitute "low rent housing projects" as described in Article XXXIV, and Section 37001 (b) of the California Health and Safety Code. All replacement housing will be privately owned, will not be exempt from real property taxes by reason of public ownership and will not be financed with direct long term financing from a public body.

In addition, the Agency will not "develop, construct, or acquire" housing as described in Section 1 of Article XXXIV of the State Constitution. Rather, it may conduct activities in compliance with Section 1 of Article XXXIV of the State Constitution, which will provide developers assistance in financing, acquisition of land, leasing of existing dwelling units, monitoring construction or rehabilitation by imposition of mandated or authorized conditions, and/or other assistance consistent with the Article.

## SUMMARY

The BCN Project does not currently have a specified construction schedule. If the Project does proceed, however, seventy-one (71) housing units comprising one hundred ten (110) affordable bedrooms will be eliminated from the City's housing inventory. These units and bedrooms, according to state law, must be replaced within four years of their removal. The Agency is currently negotiating the terms of seven affordable housing projects which will create 592 affordable residential dwelling units comprising a total 1145 bedrooms. It is from this anticipated pool of new, affordable housing stock that the Agency expects to meet the replacement obligations generated by the BCN Project .

Relative to this Project, the Agency has chosen the option to replace total bedrooms rather than total units. The replacement bedrooms allocated from this and other planned projects will be credited against the seventy (70) very-low, thirty-three (33) low, and five (5) moderate income category bedrooms to be removed by this project. Given the proposed schedules of development of anticipated projects described in this Plan, the Agency expects no difficulty meeting the four (4) year replacement housing requirement for this project. Additionally, the Agency has pledged to maintain affordability within this project for a period of thirty (30) years, a term which exceeds, by three years, the life of Redevelopment Project Area #1 due to expire in 2027.



**Attachment 3**

**RESOLUTION NO. R-\_\_\_\_\_**

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, APPROVING THE HOUSING REPLACEMENT PLAN FOR THE BCN HOTEL PROJECT IN PROJECT AREA NUMBER ONE.**

**WHEREAS;** the Redevelopment Agency of the City of Cathedral City, (the "Agency") is a redevelopment agency, duly created and activated pursuant to the provisions of Section 33000 et seq. of the Health and Safety Code of the State of California by a duly adopted Ordinance of the City of Cathedral City; and

**WHEREAS,** the Agency is engaged in activities necessary to effectuate the Plans by providing for the acquisition and disposition of certain real property located within the boundaries of the Project Area; and

**WHEREAS,** the Agency has indicated it's intention to possibly redevelop an area within the Project Area and has entered into a Memorandum Of Understanding (MOU) with BCN; and

**WHEREAS,** under Redevelopment Law, the Agency is required to adopt, by resolution, a Replacement Housing Plan at least 30 days prior to entering into any Disposition and Development Agreement (DDA) that will involve the removal of housing that is affordable to low or moderate income households; and

**WHEREAS,** Pacific Relocation Consultants (PRC) has completed a survey of the housing supply within the affected area and has prepared for the Agency a Replacement Housing Plan which has been available for review and comment by the appropriate public Agencies and the general public since September 26, 2001; and

**WHEREAS,** there are 71 existing residential units that may need to be replaced if a DDA is negotiated with BCN; and

**WHEREAS,** the proposed Replacement Housing Plan complies with the statutory requirement for Replacement housing Plans set forth at Health and Safety Code Section 33413.5; and

**WHEREAS,** the Agency desires to adopt the proposed Replacement housing Plan as

prepared by Pacific Relocation Consultants.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Redevelopment Agency of the City of Cathedral City as follows:

#### **SECTION 1. FINDINGS**

That the Replacement Housing Plan prepared by Pacific Relocation Consultants for the BCN project complies with the statutory requirements for replacement housing plans as set forth at Health and Safety Code Section 33413.5 in that the subject Replacement housing Plan has been made available for review by the appropriate public agencies and public for a reasonable period of time and contains the following required provisions:

- the general location of housing to be rehabilitated, developed or constructed;
- an adequate means of financing such rehabilitation, development, or construction
- a finding that the replacement housing does not require the approval of the voters pursuant to Article XXXIV of the California Constitution;
- the number of dwelling units housing persons and families of low or moderate income planned for construction or rehabilitation; and
- the timetable for meeting the plan's relocation, rehabilitation, and replacement housing objectives.

#### **SECTION 2. APPROVAL OF REPLACEMENT HOUSING PLAN**

That the Agency does hereby approve the Replacement Housing Plan prepared by Pacific Relocation Consultants for the BCN project.

(THIS SECTION INTENTIONALLY BLANK)

**SECTION 3.** This resolution shall take effect upon its adoption.

**APPROVED AND ADOPTED** by the Board of Directors of the Redevelopment Agency of the City of Cathedral City, this 10th day of October, 2001.

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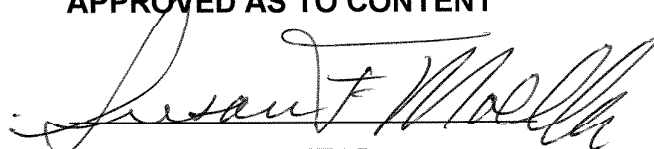
George Stettler, CHAIRMAN

**ATTEST:**

**APPROVED AS TO CONTENT**

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SECRETARY

  
DEPARTMENT HEAD

**APPROVED AS TO FORM:**

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AGENCY COUNSEL

**REVIEWED:**

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EXECUTIVE DIRECTOR

## CITY OF CATHEDRAL CITY AGENDA REPORT

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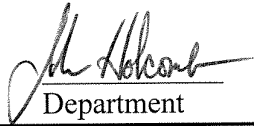
**SUBJECT:** Approve the purchase of a police K-9 to be utilized by the Police Department.

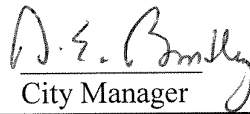
**DEPARTMENT:** Police Department  
**CONTACT:** Stan Henry  
Chief of Police

**MEETING DATE:** 10/10/01

**DEADLINE FOR ACTION:** 10/12/01

**APPROVED:**

  
Department

  
City Manager

  
Finance

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### RECOMMENDATION:

Approve the Police Department's request for the purchase and training of a police K-9 and the training of a police K-9 officer through Work Dog International, with funding not to exceed \$10,000.00

### BACKGROUND:

The Cathedral City Police Department has successfully utilized police K-9s since 1988. In the past, the Department has utilized two K-9 teams consecutively. This allows deployment to provide complete coverage for the night shift for the entire week. The K-9 program was temporarily suspended in July 2000 due to a shortage of manpower. Staffing levels are currently being replenished allowing the Department to once again participate in a K-9 program. Purchasing this K-9 will be the first step re-establishing the K-9 program with two working dogs. The benefits of the program are as follows:

- Officer safety is "enhanced" due to the presence of a police K-9 at a hostile situation. A combative suspect frequently surrenders when confronted with the aspect of being apprehended by a police K-9. This results in fewer injuries to officers as well as the suspects.
- A K-9 officer handles burglar alarm calls with his K-9 partner. This will free up the routine back-up officer, allowing them to quickly respond to other calls for police service.
- Police K-9s are used to search buildings for concealed suspects. This reduces any potential threat to officers entering a building to search for suspects. The K-9's keen sense of smell enables them to rapidly locate concealed suspects, reducing the amount of time required to safely search buildings.
- Police dogs are frequently used to search for suspects who have concealed themselves in open desert areas. This reduces any potential threat to officers searching an open field for suspects. Their keen sense of smell enables them to rapidly locate concealed suspects, reducing the amount of time required to safely search large areas.

- Police K-9s provide positive points of contact between the citizens of the community and the Police Department. As in the past, police K-9s and their handler will participate in police K-9 demonstrations at public schools, the Safety Fair sponsored by the Cathedral City Fire Department and any Police Citizens Academy. Additionally, the K-9 unit will participate in any approved request for a K-9 demonstration by any public or private group.

#### **ANALYSIS:**

Work Dogs International will be the sole provider for the K-9 program. The Department has utilized other vendors in the past and has found them to be lacking in quality in their training programs. Additionally, officers would be required to travel extensive distances to attend the required training programs.

The benefit of using Work Dogs International as the sole provider is as follows:

- Provides more hours of training.
- Other local Coachella Valley law enforcement agencies currently use Work Dogs International (Palm Springs Police, Indio Police, Banning Police, Bureau of Land Management).
- Provides standardized training, allowing the use of K-9 teams for mutual aid requests.
- Work Dogs International has training standards that exceed those required by the California Peace Officers Training Standards (POST).
- Work Dogs International will customize training designed to meet the Department's requirements.
- Weekly training will occur with the support and participation of the other local law enforcement K-9 teams.

#### **FISCAL IMPACT:**

- The Police Department is budgeted \$10,000.00 for the K-9 program.
- The initial purchase price of the K-9 is \$6000.00. It is anticipated the K-9 will provide service for a five year span. This breaks down to a cost of about \$3.40 per day.
- It will cost an additional \$2000.00 dollar for the officer to attend a 400 hour basic handler's training course.
- K-9 food is approximately \$480.00 per year, about \$1.32 per day.
- The Police Officer's salary is already accounted for in the current budget.
- The Department intends to solicit Community donations for the police K-9 program, which will be reimbursed to the City's general fund.

#### **OTHER ALTERNATIVES:**

Decline to re-instate the Police K-9 Program at this time.



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Reply to:  
Cathedral City Office

**CITY COUNCIL  
REGULAR MEETING**

**LEGISLATIVE CALENDAR  
AGENDA REPORT**

**October 10, 2001**

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**TO: HON. MAYOR GEORGE STETTLER  
MEMBERS OF THE CITY COUNCIL**  
**FROM: STEVEN B. QUINTANILLA, CITY ATTORNEY**  
**RE: ORDINANCE AMENDING CATHEDRAL CITY MUNICIPAL CODE AND  
ZONING ORDINANCE TO MODIFY THE DEFINITION OF "DIRECTOR",  
"COMMUNITY DEVELOPMENT DIRECTOR" AND THE "DIRECTOR OF  
COMMUNITY DEVELOPMENT" TO MEAN "CITY PLANNER"**

---

**A. RECOMMENDATION**

Introduce and waive reading of the full text of the proposed ordinance which amends the City's Municipal Code, including the Zoning Ordinance, to change all references to "Director", "Community Development Director" and/or "Director of Community Development" to "City Planner".

**B. REQUIRED NUMBER OF VOTES**

The California Government Code requires three (3) affirmative votes to introduce an ordinance and a majority vote to approve waiving the reading of the full text of the ordinance.

### **C. GENERAL BACKGROUND**

In 2000, the City structure was reorganized to eliminate the Community Development Department and to establish the Planning Department, which had formerly been a division of the Community Development Department. The reorganization of the City's departments and divisions has transferred the duties of the Community Development Director with respect to the Planning function to the City Planner while other duties of the Community Development Director position were assumed by other employees. However, the Municipal Code currently provides that the Community Development Director is responsible for the issuance of permits for outdoor advertising and street vendors and is the official responsible for the enforcement of the City's Zoning Ordinance.

On October 3, 2001, the Cathedral City Planning Commission adopted a resolution recommending to the City Council approval of a Municipal Code amendment, inclusive of the Zoning Ordinance, modifying the definition of "Director", "Community Development Director" and/or "Director of Community Development" to mean "City Planner".

### **D. ANALYSIS**

The proposed ordinance would amend the Municipal Code to provide that all references to the "Director", "Community Development Director" and/or the "Director of Community Development" throughout the Cathedral City Municipal Code including but not limited to the Zoning Ordinance shall mean "City Planner". As a result of the amendment, the City Planner would become the official responsible for the issuance of permits for outdoor advertising and street vendors and the administration and enforcement of the City's Zoning Ordinance.

### **E. FISCAL ANALYSIS**

No fiscal impact is anticipated.

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ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, AMENDING THE ENTIRE CATHEDRAL CITY MUNICIPAL CODE INCLUDING BUT NOT LIMITED TO TITLE 19 TO MODIFY THE DEFINITION OF "DIRECTOR", "COMMUNITY DEVELOPMENT DIRECTOR" AND THE "DIRECTOR OF COMMUNITY DEVELOPMENT" TO MEAN "CITY PLANNER"**

**WHEREAS**, recent reorganization of various City departments and divisions resulted in the elimination of the office and position of the Community Development Director; and

**WHEREAS**, the reorganization of the City's departments and divisions has transferred the duties of the Community Development Director with respect to the Planning function, to the City Planner; and

**WHEREAS**, the City Council desires to clarify that all references to the "Director", "Community Development Director" and/or the "Director of Community Development" throughout the Cathedral City Municipal Code including but not limited to Title 19 shall mean "City Planner".

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

**Section 1.                    AMENDMENT OF ENTIRE MUNICIPAL CODE**

All references to the "Director", "Community Development Director" and/or "Director of Community Development" throughout the Cathedral City Municipal Code including but not limited to Title 19 shall mean "City Planner" and all such references to "Director", "Community Development Director" and/or "Director of Community Development" throughout the Cathedral City Municipal Code including but not limited to Title 19 shall be modified to read as "City Planner".

**Section 2.                    SEVERABILITY**

The City Council declares that, should any provision, section, paragraph, sentence or word of this ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this ordinance as hereby adopted shall remain in full force and effect.

**Section 3.                    REPEAL OF CONFLICTING PROVISIONS**

All the provisions of the Cathedral City Municipal Code as heretofore adopted by the City of Cathedral City that are in conflict with the provisions of this ordinance are hereby repealed.





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Reply to:  
Cathedral City Office

**CITY COUNCIL  
REGULAR MEETING**

**LEGISLATIVE CALENDAR  
AGENDA REPORT**

**October 10, 2001**

---

**TO: HON. MAYOR GEORGE STETTLER  
MEMBERS OF THE CITY COUNCIL**  
**FROM: STEVEN B. QUINTANILLA, CITY ATTORNEY**  
**RE: RESOLUTION DIRECTING STAFF TO CHANGE ALL REFERENCES TO  
“DIRECTOR”, “COMMUNITY DEVELOPMENT DIRECTOR” AND THE  
“DIRECTOR OF COMMUNITY DEVELOPMENT” TO “CITY PLANNER”  
ON ALL RELEVANT PERMIT APPLICATIONS AND PUBLIC  
INFORMATION MATERIAL**

---

**A. RECOMMENDATION**

Adopt the proposed resolution directing Staff to change all references to “Director”, “Community Development Director” and/or “Director of Community Development” to “City Planner” on all relevant permit applications and public information materials.

**B. REQUIRED NUMBER OF VOTES**

The City Council may approve the proposed resolution with a simple majority of those Council Members present at the meeting.

**C. GENERAL BACKGROUND**

In 2000, the City was reorganized and the office of the Community Development Director was eliminated. As such, the City Planner, who worked directly under the Community Development Director, assumed the duties of the Community Development Director, with respect to the Planning function, while other duties of the Community Development Director position were assumed by other employees.

**D. ANALYSIS**

The proposed resolution would change all references to the "Director", "Community Development Director" and/or "Director of Community Development" contained in all permit applications and public information material to "City Planner" in a manner consistent with the provisions of the entire Municipal Code including but not limited to the Zoning Ordinance (Title 19) as it may modified from time to time by the City Council.

**E. FISCAL ANALYSIS**

No fiscal impact is anticipated other than the cost associated with Staff time spent on modifying all relevant forms.

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**Section 4.            EFFECTIVE DATE**

This ordinance shall take effect on the thirty-first day after its adoption at a second reading by the City Council.

**Section 5.            PUBLICATION**

The City Clerk shall within 15 days after passage of this Ordinance, cause it to be posted in at least the three (3) public places designated by resolution of the City Council; shall certify to the adoption and posting of this Ordinance; and shall cause this Ordinance and its certification, together with proof of posting, to be entered in the Book of Ordinances of this City.

[THIS SECTION INTENTIONALLY LEFT BLANK]

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, DIRECTING STAFF TO CHANGE ALL REFERENCES TO "DIRECTOR", "COMMUNITY DEVELOPMENT DIRECTOR" AND THE "DIRECTOR OF COMMUNITY DEVELOPMENT" TO "CITY PLANNER" ON ALL RELEVANT PERMIT APPLICATIONS AND PUBLIC INFORMATION MATERIAL**

**WHEREAS**, recent reorganization of various City departments and divisions resulted in the elimination of the office and position of the Community Development Director; and

**WHEREAS**, the reorganization of the City's departments and divisions has transferred the duties of the Community Development Director with respect to the Planning function, to the City Planner; and

**WHEREAS**, the City Council desires to direct staff to change all references to the "Director", "Community Development Director" and/or "Director of Community Development" contained in all permit applications and public information material to "City Planner" in a manner consistent with the provisions of the entire Municipal Code including but not limited to Title 19 as it may be modified from time to time by the City Council.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.                    MODIFICATIONS TO ALL RELEVANT PERMIT APPLICATIONS AND ALL PUBLIC INFORMATION MATERIAL**

All references to the "Director", "Community Development Director" and/or "Director of Community Development" contained in any and all permit applications and public information material shall be changed to "City Planner" in a manner consistent with the provisions of the entire Municipal Code including but not limited to Title 19 as it may be modified from time to time by the City Council

**Section 2.                    CERTIFICATION**

The City Clerk shall certify to the passage and adoption of this resolution, enter the same in the book for original Resolutions of the City, and make a minute of passage and adoption thereof in the records of the proceedings of the City Council of the City, in the minutes of the meeting at which this resolution is passed and adopted.

[THIS PORTION INTENTIONALLY BLANK]

**APPROVED AND ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, **2001**, by the following  
roll call vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
George Stettler, Mayor

ATTEST:

\_\_\_\_\_  
Donna M. Velotta, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Steven B. Quintanilla, City Attorney

\_\_\_\_\_  
Cynthia S. Kinser, City Planner

REVIEWED:

\_\_\_\_\_  
Donald E. Bradley, City Manager